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THE ROUND TABLE

A QUARTERLY REVIEW OF THE POLITICS
OF THE BRITISH COMMONWEALTH

Contents of Number 144

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THE HOLLOW CONTINENT

PEACE-MAKING WITHOUT GERMANY

THE delegates of the victorious Powers have assembled in Paris with little of the sense of mastery over circumstance, and of delight in the expanding prospects ahead, which distinguished their predecessors of Vienna and Versailles. The capital in which they meet is obsessed with the problems of its own privation and constitutional uncertainty; and a mood of grey cynicism broods over the Conference. Its limited terms of reference confess the renunciation of the ambitions that inspired the peace congresses of the past. These statesmen have acknowledged that it is not for them to conspire with fate; they cannot grasp the sorry scheme of things entire; if they can remould a world that has been shattered into bits, they scarcely expect to bring it much nearer to the heart's desire, but will be content if by piecemeal chiselling they can succeed in remoulding it at all.

The decision to make peace first with the lesser Powers and satellites of the Axis, and postpone the settlement of Germany, does not of itself imply the abandonment of hope for a homogeneous scheme of world order. In theory there is still a grand design, of which the San Francisco plan, the Potsdam plan, and the Paris plan are all component parts. Experience has rightly decreed that the organization of collective security shall not again be linked by treaty with the terms of a particular territorial settlement, which may be imperfect at its inception and will certainly be the subject of violent controversy in years to come. UNO has the undoubted advantage over the League that it provides an independent framework for a guarantee of world peace, even though we are still left in the utmost uncertainty concerning what peace is to be guaranteed.

Within the framework, and still according to theory, the future of Europe will be mainly determined by the terms imposed upon Germany, and the peace treaties now to be dictated to the lesser defeated Powers will fill in the interstices of the design. It is possible to insert these subordinate details before the principal features of the picture have been definitely drawn, because the Potsdam plan provides the negotiators with the broad lines of the intended German settlement. Such is the theoretical scheme. But it manifestly presupposes that the Potsdam plan, which it was always understood would take many years to complete, is being consistently pursued, and will be carried through to fulfilment. The Potsdam plan, however, is already in an advanced stage of dissolution.

The foundation of the Potsdam plan rests upon the determination of the four principal Allied Powers to pursue a concerted policy throughout the years during which the military occupation of Germany remains necessary. Without entering into the details of recent negotiations, it is clear from the negatives of Mr. Gromyko in New York, and the scarcely less uncompromising negatives of Mr. Molotov at the preliminary Four-Power Conference in

Paris, that the Four Powers no longer maintain sufficient mutual confidence for any common purpose to be pursued. The fact remains that both in New York and in Paris the concerted strategy of war has given place, at best to hard bargaining, and at worst to direct hostility; and while the Powers remain thus divided upon both the major scheme of world order and the secondary details of European settlement, the conditions for a harmonious tutelage of Germany do not exist.

TWO INTERPRETATIONS OF THE POTSDAM PLAN

THUS for the time being Europe remains a hollow continent, of which the lands on the periphery are now to be fixed in a shape intended to be permanent, while the critical central regions, the breeding-ground of two world wars, remain a political and constitutional void. On the day the Conference of the twenty-one nations assembled in Paris, the British Government acknowledged that the attempt to administer Germany jointly with Soviet Russia could no longer be carried on without economic disaster. This was the effect of acceptance of the American proposal for the economic fusion of the Western Zones. It involved the contention that Russia had already violated the Potsdam plan, which provided that Germany, while politically divided under the four occupying Powers, should be administered as an economic unit. There has in fact never been any appreciable commercial intercourse through the "iron curtain" dividing the Russian from the Western Zones. While the principal areas of food production for all Germany lie on the Russian side of the curtain, the whole surplus of their crops, which in time of peace would be exchanged for the manufactured products of the west, is now diverted to the uses of the Soviet Union and its puppet states in eastern Europe. This food is being taken under the name of reparations, in apparent breach of the Potsdam agreement that reparations should take the form of the transfer of capital equipment. A possibly more important source of food supply for the west, from the agricultural lands of East Prussia, has been permanently absorbed into the closed Soviet system under the name of annexation to Poland. In the meantime the people of western Germany are threatened with starvation in the coming winter; and to avert irremediable disaster it has become essential to break down all barriers within the western half in an effort to make that region as nearly as possible self-supporting without the aid of supplies from the Russian zone.

The justification advanced by the Soviet Union in defence of their economic policy is based on the contention that the Western Powers have themselves departed from the political terms of the Potsdam agreement. It was proclaimed at Potsdam, and previously with still greater emphasis at Yalta, that the Allies would exterminate National Socialism and set up a "democratic" order in Germany. The Russian charge against Great Britain and the United States is that they have not effectively purged German administration in their zones of known Nazis, and have failed to create a democratic social order. In the course of the argument, though it has been carried on at a long range which tends more to heat than to light, it has become plain that once more the trouble is due to suppressed differences of opinion about what "demo-

cracy" means. The Russians have busied themselves ever since the fall of Berlin in the attempt to integrate the economic system of eastern Germany with their own. The puppet states with which they have ringed their western borders have been subjected to the same process; and it is very evident that the Soviet has no intention of allowing its zone of Germany to become detached from this comprehensive system in order to be linked afresh with the German west. The reorganization entails drastic social changes, aiming at the Communist ideal of a one-class society and a one-party government. This is what the Russians mean by "democracy"; and they sincerely hold that this is the true sense of the word as used at Yalta and Potsdam. Thinking thus, they are quite consistent when they accuse the British and the Americans of failing to democratize the western zones. Their demand is that the social and economic revolution shall be imposed in the name of democracy west of the Elbe, as an indispensable preliminary before representative government can be erected there. The British and American conception of democracy, on the other hand, requires that the Germans under their administration shall be educated in the practice of self-government on liberal and representative lines, and so eventually qualify to decide for themselves what their social and economic order is to be.

Thus the strains of the joint occupation have revealed the irreconcilable divergence of the Anglo-American and Russian political ideals. During the war it was necessary to find a formula that might serve as a rallying cry for Allied unity. The word "democracy" was chosen in order to give the principle of union a positive quality. We are now beginning to see only too clearly that our union was mainly negative, deriving from a common hostility to Nazi Germany. Great Britain and America denounced the National-Socialist and Fascist systems, from the point of view of western liberalism, because they were one-party governments. The Russians denounced them, from the point of view of eastern Marxism, because the one party was not their party. Both called them undemocratic, meaning different things by the word. The Russians might make out quite a plausible case for their use of language. After all the word *δημοκρατία*, as used by Aristotle, might very reasonably be translated as dictatorship of the proletariat; the liberal balance of all classes and parties, which the West regards as democracy, and which in this Review has often been called "the principle of the Commonwealth", more nearly corresponds to what he called *πολιτεία*. An Aristotle in the councils of the Allies at Yalta would no doubt have insisted on the distinction, and saved much confusion of thought and exacerbation of tempers to-day. But at that critical stage of the war clear definition of terms might have been bought at the expense of the emotional unity that the common cause then required.

THE FUTURE OF GERMAN ALLEGIANCE

ON the contest between these rival political conceptions depends the direction in which what is still the principal weight of European man-power will hereafter be exerted. Statisticians have shown that, even allowing for the immense casualties of the German defeat, the total effect of the war has been

to increase rather than diminish Germany's preponderance of population over her neighbours. Nazi measures to stimulate the birth-rate have been reinforced by the Allied policy of wholesale transfer of peoples of German stock from the lands they have annexed. It may be too early to say that demographically the Germans have won the war, for it is as yet to be seen how Germany will emerge from the period of famine and disease that now seems certain to follow in its train; but it is truer than ever that the ultimate spiritual allegiance of these 80 millions of people will determine the future of Europe as a whole.

Rigid as the frontier now appears to be between the zones of the eastern and western occupying Powers, neither Russians on the one side nor British and Americans on the other, and certainly not Germans, are thinking in terms of a permanently divided Germany. The vision of national unity, which inspired their emergence as a great Power in the nineteenth century and their fleeting domination in the twentieth, still sustains the spirit of the German people in defeat. The economic catastrophe that is now seen to follow the partition of the country has shown the Allies the urgency of an effective reunion. There is no stable equilibrium to be attained by fixing a permanent frontier on the Elbe between liberal democracy and totalitarian Marxism. Each philosophy is bound to seek dominion over the mind of a united Germany. It cannot do so by force; it must aim by persuasion at gaining a willing allegiance. Whether we like it or no, it is ultimately in the power of the Germans to tip the balance in the great rivalry between East and West.

In the short run it might seem ominously probable that this contest in the realm of mind will be won by the East. The bias of the German temperament towards the principle of authority will certainly not be eradicated in our time; and the rigid totalitarian system now being imposed by the Soviet in the eastern part of the country starts with every advantage for commanding their respect. In all its forms of discipline it resembles the National-Socialist régime from which they derived so much comfort; only the doctrine of racial mission, which was the spirit within the Nazi forms, is lacking. Experience shows that representative democracy itself, if it is established in the western zones, can in German hands take a totalitarian form.

This natural affinity of the German temperament to the authoritarian régime of the Soviet is at present inevitably encouraged by the economic dislocation. In the regions where liberal self-government is being set up the whole population is living on the verge of starvation; by contrast the rule of Marxism is associated with comparative plenty. It is scarcely possible for the mass of Germans not to draw the conclusion that the rule of authority means efficiency and prosperity, while democracy is corrupt and incompetent, as Hitler always said.

But these are factors acting mainly in the short term. There is no doubt that the most enduring forces in the German mind impel it towards association with the West. For a thousand years, since at least the time of Otto the Great, Germans have regarded themselves as a people with a mission to hold the frontiers of European civilization against the Slavonic masses to the east. War-time propaganda in the Allied countries has mocked this conception;

but it is one of the real foundations on which German nationality rests. Hitler did not invent it; he found it and used it as a motive force behind the policy of aggression.

German determination to keep the national culture in line with that of the West is all the more insistent because in their inmost heart the Germans know they do not quite belong to the western world. Ever since the Emperor Augustus fixed the frontiers of the Roman Empire on the Danube and the Rhine, the Germans have secretly resented their exclusion and have striven to gain a place within the family of the ancient civilization.

So long as the world remains divided, as it is to-day, between two mutually distrustful political philosophies and social systems, so long it may be expected that Germans, looking forward to the restoration of their country's unity, will seek to establish their permanent political affinities where they recognize that the roots of their culture lie. But they cannot take these long views while their bellies are empty and half of their country visibly degenerating into a slum. In order to take advantage of the secular forces operating to keep Germany within the cultural family of the West, it is essential that Great Britain and the United States shall rapidly master the economic crisis, before the false but natural impression becomes ineradicable from the minds of hungry men that the present economic misery is being deliberately contrived for motives of revenge. To accomplish this while the barrier across the middle of Germany remains impenetrable the least that is required is to establish all western Germany as an economically self-supporting community, able to pay by manufactured exports for the imports it requires to compensate for the deficiencies of its food-producing power. This will scarcely be done before the occupying governments merge not only the economies of the British and American zones but that of the French zone as well. It will involve no easy diplomacy, not only because the future of the Ruhr, the industrial prosperity of which is vital to the economic plan, still politically divides Anglo-American from French policy, but because the French zone tends every day to become more closely integrated with the economic system of France and to the same extent detached from that of Germany.

If a real concerted policy of the three Western Powers can succeed in making of western Germany under their tutelage an economically stable community, then they can face the continuing rivalry with the Soviet with every hope that their own liberal outlook will become predominant in the reunited Germany of the future. They will not look forward to a conflict of arms, but to the eventual penetration of liberal ideas on their own merits not only into eastern Germany but into Russia itself. The highly centralized autocracy by which the Soviet Union is now governed may be found not to represent anything native to the Russian mind, as the military despots of Germany expressed emotions native to the German mind, but rather the defensive organization natural to a people who have been taught to regard their political religion as persecuted and their country in a state of siege. As a new generation grows up, to which the Communist revolution will be ancient history, and which will think of the Soviet régime not as something struggling

for existence in a hostile world but as a great power of the most commanding stature, the motives for the present rigid exclusion of external ideas may be expected to lose their force. When that time comes there may at last be opportunity to wed the western ideals of personal liberty and free interchange of opinion to what is permanently valuable in the Soviet conception of a planned society.

THE RÔLE OF THE BRITISH EMPIRE

THIS is looking far ahead. In the intervening period Great Britain and the United States, together with France if by any means a harmonious policy can be achieved, have to keep the flag of liberal politics flying over western Germany in a rivalry which for some years to come seems likely to remain one of naked opposition. This competition for the ultimate allegiance of a regenerated Germany goes deeper than any of the conflicts of interest concerning frontiers on the periphery of Europe, and is the real background to all the complicated manœuvres for position which have made up the debates on procedure in the first weeks of the Peace Conference in Paris. The stand of the western Allies for the establishment of free institutions in Germany requires to be supported by all the moral force belonging to world power. One world power is involved; but the United States is geographically too remote and by national tradition too aloof from European affairs to be left indefinitely as the principal pillar of the new order that is growing up in Germany. The United Kingdom of Great Britain and Northern Ireland is by itself no longer a world power. It can only remain a participant in world power by virtue of its partnership in the British Commonwealth of Nations. The interest of Europe, the interest of Great Britain, and the interest of the British Dominions all alike demand that the task of building the new European order and afterwards becoming one of the three permanent guarantors of its security shall be treated as a joint enterprise of the British Commonwealth as a whole. The gallant efforts of Dr. Evatt in Paris to maintain the cause of the smaller Powers in negotiation have commanded the admiration of all his fellow-subjects. But they only direct the more attention to the anomaly by which four members of so great an international partnership are content to be ranked with the lesser States, rather than insist upon exerting their combined influence among the masters of the world. What appeared to be an opportunity on the eve of the Conference of making that combined influence a reality was conspicuously missed, and indeed, it would appear, rejected. The meetings of the Imperial Prime Ministers in London in the early summer dispersed without making any pronouncement about when the next Imperial Conference should assemble; and it has been widely rumoured that the absence of a declared decision to convene the Conference in the near future covers a positive undeclared decision that the Conference shall not meet again. It is earnestly to be hoped that the report is untrue. So lamentable an abdication of common responsibility by the leaders of a world-wide society, which is still potentially capable of exercising in world affairs an influence on the side of liberty that no other Power can equal, might be the critical disaster in the present precarious condition of the world.

PALESTINE: CONFUSION, FEAR AND HOPE

THE familiar jargon of our weather forecasts is painfully reflected at present in reports from the Middle East. Depressions, pressure belts, local thunderstorms and gale warnings are a daily feature of the news from that region of the earth; and the well-known ending "Further outlook—unsettled" does no more than justice to the situation which exists. It is true, of course, that conditions are unsettled everywhere, and that many critical areas are in a state of flux. But the Middle East is a region in which British statesmanship has a freer hand and a more direct responsibility than anywhere else, and its opportunity is proportionately great.

It is therefore unfortunate that preoccupation with the prolonged and exhausting conferences of the Big Three or Four have led the Foreign Secretary, Mr. Bevin, to give less attention to the problems of the Middle East than the situation there and our profound interest in it required. It is equally unfortunate that those problems were not handled from the first days of peace as a group of problems insoluble except in synthesis. Undue delay has seriously complicated the Egyptian question, and we have made our problems unnecessarily difficult by treating them as separate issues between ourselves and individual States rather than as elements in a regional complex which must be regarded as a whole if any single one is to be settled with good effect. But we have gained ground in some respects even though we have lost it in others; and for the time the ball is still unquestionably at our feet.

Though we have been dealing with a violent exacerbation of nationalist feeling in Egypt, the Arab world in general is waiting upon events in Palestine. Egypt differs in many ways from the Arab States to the east, and her political activities are not regarded with universal favour in them. The Anglo-Egyptian Treaty negotiations are still proceeding, and this is not the moment for comment on them because the security of the Suez isthmus will ultimately depend upon British standing in the Middle East as a whole; it will never depend solely upon Anglo-Egyptian relations. British standing in the Middle East will for its part turn mainly upon British policy in Palestine; that is the central issue, and it has now reached a critical stage which is being watched with tense anxiety by world Jewry and by all the Arab States. The ball is at our feet, but in which direction our Government will propel it no one yet knows. There is only a maze of speculation and argument, through which we will attempt to trace an explanatory course.

When THE ROUND TABLE last dealt with the Middle East,* we observed that "the surest way of moving towards" a solution in Palestine "would be the appointment of an Anglo-American Commission to study and report upon the Jewish question as a whole". An Anglo-American Committee with

* See THE ROUND TABLE, December 1945, No. 141, pp. 26-34.

six British and six American members was shortly afterwards appointed to enquire into "the problems of European Jewry and Palestine", which tackled its work with commendable promptness, held enquiries both in Europe and in Palestine, and on April 20 last presented the two Governments with an unanimous Report. We shall deal later with its recommendations. What needs emphasis here is that for the first time the two Governments have taken measures to secure a joint study of the facts, and that their representatives have agreed without a dissentient upon ten recommendations covering all the main issues at stake. Since Anglo-American agreement is an indispensable condition of any solution which is to last, this is an outstanding and most welcome result.

SEDITION, CONSPIRACY AND MURDER

THE publication of the Committee's Report was followed at an interval of some weeks by another development which has produced a profound effect. After exemplary patience with a widespread campaign of assassination, kidnapping, injury, highly organized destruction and lying abuse, which put a terrible strain upon all British Services in Palestine and more particularly upon the troops, the Palestine Government struck suddenly and most effectively at the headquarters of the Jewish Agency in Jerusalem, imprisoned a large number of its leaders, and carried out an exhaustive search. Many Jewish settlements were also raided and large hidden stores of arms were unearthed. In announcing this action to the House of Commons the Prime Minister stated that recent events in Palestine clearly formed part of "a concerted plan prepared and executed by highly developed military organizations with widespread ramifications throughout the country". He reminded the House that "the Anglo-American Committee called special attention to the development of illegal armed forces as a sinister feature of recent years in Palestine", and continued:

"The largest of these is the Haganah, estimated to be about 70,000 strong, with a mobile striking force, the Palmach, some 5,000 strong. This force has been developed on highly organized military lines and is armed with the most modern equipment. In addition there are two Jewish terrorist organizations—the Irgun Zvei Leumi, which is believed to have between 5,000 and 6,000 adherents trained in street fighting and sabotage, and the Stern Group which specializes in assassination. The Haganah have been responsible for many instances of destruction of property and armed resistance to the Government; the other two organizations have been responsible for numerous acts of violence and murder and for the recent kidnappings."

The Prime Minister went on to say that the suffering of the European Jews, which evoked universal sympathy, could not "condone the adoption in Palestine of some of the very worst of the methods of their oppressors in Europe". The High Commissioner had accordingly been ordered to break up the illegal organizations and arrest individuals believed to be responsible. "I am sorry to say", he added, "that these included some of the leading members of the Jewish Agency. There is evidence of close connexion between the Agency and the Haganah." He undertook to publish the full documents.

A subsequent White Paper, issued on July 25, fully justified the Prime Minister's statement.

The action of the Government roused violent protest throughout the Jewish world. A debate upon the adjournment in the House of Commons was, however, firmly handled by the Prime Minister himself; and the strong feeling evinced in Congress was not marshalled, as it might well have been, against the British loan. In Palestine the effect was immediate and salutary. Widespread though the action was, it met with no effective resistance and caused very few casualties. There is no doubt, moreover, that it put new heart into a great number of moderate-minded Jews, who were suffering under the effects of terrorism and seeking in some thousands to leave Palestine. It also gave fresh prestige to the British Government in the eyes of the Arab world.

Scarcely, however, had precautions been relaxed after it when another outrage was committed by members of the Irgun Zvei Leumi. The Secretariat of the Palestine Government and the headquarters of the Army occupy the upper stories of the King David Hotel in Jerusalem. A whole wing of the hotel was blown up in the middle of the day on July 23, causing over a hundred casualties in dead and missing and an equal number of severely wounded. There can be no question of the injury done to the Zionist cause by these remorseless extremists; and they have been denounced by the great majority of Jewish bodies, including Jewish organizations and newspapers in Palestine.

The threat of non-co-operation was called off throughout Palestine. The Prime Minister in giving particulars of the atrocity to the House of Commons very rightly said that "the Government would not be diverted by acts of violence from the search for a just and final solution of the Palestine problem". Such a solution cannot be found without compromise on both sides; and it is therefore all-important that the moderates in each should take courage against their own extremists. The search for "a just and final solution" is now in the hands of a delegation of officials appointed by the President of the United States to discuss the pros and cons of action on the Anglo-American Committee's Report with officials in London. The two Governments have then to decide whether they can agree upon implementation of the Report or upon any alternative course.

DEVOLUTION OR PARTITION

In the meantime the extreme champions of the Zionist and the Arab causes continue to proclaim that they will accept nothing less than total submission to their demands; and the great mass of intermediate opinion, which realizes the necessity of compromise, is confused and anxious. In all three British parties opinion is divided; and in many quarters of the British press there has been a tendency to revert in despair to the Peel Commission's recommendation of partition. Another body of opinion, which counts amongst its adherents most of those who have recently borne responsibility in the Middle East, holds strongly that there is no ground for counsels of despair and that partition, so far from offering an escape from the dilemma of the Mandate,

would create more trouble than it cured. The subject is wide and complex. It is important to be clear upon the fundamental issue. Partition means the division of Palestine into separate sovereign states. The alternative is to maintain the unity of Palestine under a single government in which both Jews and Arabs will be represented. This latter alternative is, of course, compatible with a considerable devolution of power to local authorities in Jewish and Arab areas; but it is not partition into separate sovereignties.

The organs of Zionism throughout the world continue to clamour for acceptance of the so-called Biltmore programme, that is, for recognition of all Palestine as the Jewish homeland under an independent Jewish Government. The return to Zion is an agelong Jewish dream, and nothing short of a Jewish Commonwealth sovereign within the present boundaries of Palestine can give complete fulfilment to it. No one who appreciates the ancient and undying fervour of that dream, always a smouldering agony of nostalgic hope and desire in multitudes of Jewish souls, now also an arrogant and aggressive nationalist creed throughout the organized Jewish forces in Palestine, will underestimate its potency. It is backed by fierce determination, signal ability, enormous wealth, great organizing power, and a propaganda machine without equal in the English-speaking world. It is secular and materialist in its aims, yet it is a spiritual force in which the poetry of Isaiah mingles in young hearts with the military ardour of the Maccabees.

Against it is ranged another spiritual force, the awakened self-consciousness of the Arab peoples, determined to be sovereign and independent wherever Arabic is spoken and to create a new era of prosperity and power for the Arab peoples in the culture of Islam. The Arabic-speaking nations of the Middle East are not individually rich or powerful by the standards of the modern world, nor are they organized or closely united except in their fear and hatred of Zionism. They have always deeply resented the partition of historic Syria into separate States under European mandate, and they have now achieved complete independence as members of the United Nations in all those States except only Palestine. Palestine to them is an essential part of Syria, an indispensable link in the continuity of the Fertile Crescent between the Euphrates and the Nile. They feel that any Jewish State, whether it controlled the whole or only the seaboard of Palestine, would split the Arab world in sunder and constitute a bridgehead for an alien Power, which, in the effort to develop its own strength and welfare, would infallibly seek to dominate their existence, armed with the panoply of modern aggression whether under the forms of peace or in open war. Forty millions are united in this conviction; and two things at least are certain—that any Western Power or Powers which established a Jewish sovereign state in Palestine would incur their remorseless hostility.

These are, in broad outline, the implications of the struggle between Arab and Jewish nationalism which has created the present ferment in Palestine. To assuage it is a vital British interest; it is also a duty laid upon Britain by the mandate for Palestine which she accepted a quarter of a century ago. She can discharge it only by doing her utmost even now to fulfil her

pledges to both sides, almost impossible to reconcile as these have become. She is historically the best friend of both Jews and Arabs; and despite appearances she can still count upon a great measure of goodwill in both communities, for both now know in their hearts that their extreme demands are unattainable. Hard as the process may be, peace can be found only in compromise within the limits set by British undertakings to both sides.

BRITISH COMMITMENTS

THE Biltmore programme, which demands the establishment of a sovereign Jewish Commonwealth comprising the whole of Palestine, is incompatible both with the Balfour Declaration and with the Mandate. Under these (the later document interpreting the earlier) British responsibility for the maintenance of Arab rights in Palestine is as clear and definite as her responsibility for establishing in Palestine a Jewish national home. Despite the uncertain implications of the word "national" as applied to "home" in the Balfour Declaration, there is no departing from Britain's responsibility for justice to both races nor from the implications of British action under the Mandate since it came into force nearly a quarter of a century ago. It is useless now to argue, as Arab extremists do, that the Mandate was incompatible with the Covenant of the League of Nations and with British undertakings to the Arab peoples during and at the close of the first world war. It is equally useless to say that the achievements of Jewish settlement in Palestine, wonderful though they are, justify the subordination of the Arab majority to Jewish rule. Our plain obligation under the Mandate, reinforced by the facts as they now are, is to build up a polity in which both races can work together and achieve self-government as a bi-racial community. That is the commitment. There is no escape from it except repudiation of the Mandate; and if the Mandate is repudiated, we can only recommend some alternative to the United Nations, which must approve the course proposed.

This was, in fact, the conclusion reached by the Peel Commission, which reported in 1937. They admitted our commitments under the Mandate, but declared that the Mandate had become unworkable and recommended the partition of Palestine into three separate states, of which the Mandatory would bear responsibility in one only, an enclave about Jerusalem and in the central region of Palestine. The Mandates Commission of the League of Nations, to which these findings were duly referred, declared that the Mandate must be held unworkable if only because the Mandatory declared it to be so, and directed that steps should be taken to study the practicability of partition on the lines of the Commission's Report.

The Woodhead Commission accordingly went out to Palestine and produced an exhaustive study of partition. This was in the main an eloquent elucidation of its inherent difficulties, but nevertheless set out three alternative plans. A very able minority report by Mr. T. Reid (now a Member of Parliament) declared with much cogency that partition was impracticable. The British Government, after attempting vainly to find a solution through a round-table conference including Jews and Arabs, decided against partition

and issued the White Paper of 1939, which set a limit to Jewish immigration without Arab acquiescence after a certain quota had been admitted, and also proposed the creation of representative institutions as a step towards self-government. There followed the second world war, during which the Jews suspended their violent opposition to the White Paper while the Arabs cherished it as a charter sanctified by Britain's word. The 1939 quota of immigration was completed last year. The proposed representative institutions have never been set up, owing to the necessities of war.

Despite this unpromising history and the fact that partition has hitherto been denounced with equal violence by Arab and Jew, the deadlock caused by Jewish demands for and Arab opposition to further Jewish immigration has caused a renewal of interest in the policy of partition as the only practicable way out. It is being said that the Jews might now be prepared to consider it; and it offers the kind of escape from a dilemma which statesmen have accepted as a *pis aller* in many similar predicaments. Is there then any hope that it would prevent a racial struggle in Palestine?

To weigh that hope in realistic scales it is necessary to go to the roots of the difference between Arabs and Jews. For both of them the fundamental issue is the future of Jewish immigration. For the Jews it is everything to control and continue it; for the Arabs it is everything to ensure that it is stopped. Those who advocate partition argue with much cogency that both sides will continue to adopt an extremist attitude so long as the decision on immigration rests with a third party, the Mandatory Power. The essence of the policy of partition is accordingly to give the Jews sovereignty over a part of Palestine, immigration into which would be under their exclusive control. Given this freedom and this responsibility, the Jews, it is argued, would abandon their advocacy of immigration at any speed and price in order to make themselves a majority of the inhabitants of Palestine as a whole, and would devote themselves without ulterior ambition to making the most of the home which they controlled in their own Jewish State. The Arabs, on the other hand, would be relieved of the necessity of constant resistance to Jewish immigration lest they should become a minority in their own land; while the Mandatory Power would remain supreme in its own enclave, responsible only for the peace of the Holy Places and for observance by the other two new States of the partition settlement.

The delimitation of frontiers between the three States presents an intricate problem which is exhaustively studied in the Woodhead Report; but complex as it is, it need not detain us here, since the fundamental objections to partition arise from conditions which were not present in 1937, the date of the Peel Report. The Arab fear of Zionism has become much less tractable since that date, for at that time neither Jewish nor Arab nationalism was so organized or so militant as both are to-day. Since then the Biltmore programme has been proclaimed and acclaimed throughout the Jewish world as the goal of Zionism; and the Arab League is in consequence solidly united in its determination to allow Zionism no bridgehead of approach to the ultimate realization of the Biltmore ideal.

No one with recent experience of the Middle East can therefore have been

surprised that the Anglo-American Committee reported decisively against partition after it had "heard the views of many witnesses of great experience". Propaganda and indoctrination pursued intensively over many years have produced the inevitable result; and none of the younger generation of Zionists would ever accept as final a settlement which cut off the Jewish colony permanently from Jerusalem. "If I forget thee, O Jerusalem, let my right hand forget her cunning." Zionism without Zion, divorced from the Hebrew University which is now the cultural centre of the Jewish world, from other Jewish institutions, and from the large Jewish population now settled in Jerusalem, would be dust and ashes to all the Zionist forces in the world. If they accepted partition, they could not but regard it secretly as no more than a temporary stage upon the journey to the Promised Land, in which they could gather strength and wait the opportunity for ultimate realization of their great dream. The Jews might conceivably so accept it; but not the Arab world.

The Arabs are opposed in principle to the further subdivision of Syria. But apart from that they would resist to the utmost of their strength any system of partition which established a sovereign Jewish State in Palestine, because such a state would wield a financial and military power which they would regard as menacing. The militarist organization and authoritarian form of government established by the Jewish Agency are profoundly feared by them as resembling far too closely the Nazi system against which the United Nations fought and won. The Arabs also know only too well the nature of the human product now shaped by the Jewish schools; and the world has had shocking evidence of it in the recent campaign of organized violence. A State so constituted and directed, controlling Haifa, the only modern harbour of real account on the Syrian seaboard and the terminus of the oil pipe-line, would in Arab eyes infallibly become a focus of international intrigue, ripe for service to the ambitions of some great military Power. With Great-Power relations in their present ominous condition, Arab fears on this account cannot be waived aside. The Anglo-American Committee showed that it had grasped the significance of these factors when it decisively set partition aside.

Its Report was, on the other hand, vague in propounding an alternative. Recommendation III, the kernel of the Report, ran as follows:

In order to dispose, once and for all, of the exclusive claims of Jews and Arabs to Palestine, we regard it as essential that a clear statement of the following principles should be made:

- I. *That Jew shall not dominate Arab and Arab shall not dominate Jew in Palestine.*
- II. *That Palestine shall be neither a Jewish state nor an Arab state.*
- III. *That the form of government ultimately to be established, shall, under International Guarantees, freely protect and preserve the interests in the Holy Land of Christendom and of the Moslem and Jewish faiths.*

Thus Palestine must ultimately become a state which guards the rights and interests of Moslems, Jews and Christians alike; and accords to the inhabitants, as a whole, the fullest measure of self-government, consistent with the three paramount principles set forth above.

As a statement of principle this is unexceptionable; but the Committee made no practical proposals as to how the principle should be applied. It is therefore of good omen that the British and American delegations, now sitting in London, are said to be discussing the merits of a federal Palestine State which would give a wide autonomy, particularly in cultural affairs, to the Arab and Jewish communities while reserving defence, finance, communications and (it is to be hoped) tariff policy to a federal government in which both Arabs and Jews would take ministerial responsibility under the impartial chairmanship of the Mandatory Power. It is evident that the details of such a scheme will take time to work out, and it would serve no useful purpose to comment in advance upon the intricacies which any system of local autonomy for the Arab and Jewish communities is bound to present. The delegates will not lack expert guidance, since the subject has been exhaustively studied by administrators of high competence for many years past. They have reached a promising measure of preliminary agreement, and all but extremists who believe in terror and force will wish them well in their task.

ESSENTIAL CONDITIONS OF A SETTLEMENT

It is, however, possible to outline certain conditions which are likely to prove essential to an enduring settlement. First and foremost is Anglo-American agreement. The Anglo-American Committee's most signal service was to prove that a body representing Britain and the United States in equal proportions could produce a unanimous series of recommendations. To maintain that accord upon the detailed plan is vital to success.

It is essential, in the second place, that all illegal military and terrorist organizations should be dissolved, if the central authority is to keep the peace. The responsibility of the federal government for defence must include responsibility for security in every form; autonomous regions with their own armed forces would be only too likely to preserve the gross anomaly which has made a shambles of the Holy Land in recent months and to perpetuate strife. "Private armies", said the Committee, "should not exist; they constitute a danger to the peace of the world."

The third condition is adequate protection for minorities. It is not impossible to devise a system of local communal government which would reduce this difficulty to negligible proportions. If such a plan is not adopted, large Arab minorities must infallibly be left in Jewish areas, and smaller Jewish minorities in Arab areas, the Arab problem being the more difficult. In such conditions constitutional safeguards have as a general rule proved inadequate; and the federal government should have extensive powers of intervention to preclude injustice. Immigration and land are likely to be the two most controversial subjects in this respect. It may very possibly make for moderation and good sense to leave the control of Jewish immigration to a Jewish local authority; but the Arabs are bound to regard any such arrangement with great anxiety, and will assuredly insist with justice that the federal authority has sufficient power to safeguard minorities, particularly as to land tenure and land transference. Such safeguards would be equally important for Jewish minorities in Arab areas.

It must, moreover, be realized that nothing will reconcile the Arab world to further Jewish immigration if no Western country is prepared to take its share of the 500,000 dispossessed Jews who cannot or very reasonably will not return to their European homes. This, as the Anglo-American Committee very rightly saw, is a moral issue which cannot be buried if Western statesmanship is to preserve any shred of credit in the Middle East. The Committee's proposal that 100,000 visas should be issued for Palestine this year was furiously denounced by the Arab League, mainly because there was no undertaking that the remaining 400,000 Jews should be accommodated elsewhere. It seemed to open the flood-gates and to put the whole onus of western humanitarianism upon the East. But the Committee stated very definitely that "the whole world shares the responsibility" for accommodating the victims of Nazi and Fascist persecution, and it also showed caution in advising that the actual immigration of 100,000 to Palestine should be pushed forward only "as rapidly as conditions permit". The Committee might well have added that Arab acquiescence in this proposal should not be expected unless other Powers showed willingness to play their part.

It is, finally, of profound importance, as the Anglo-American Committee rightly insisted, that as much responsibility as possible should be placed squarely upon Jewish and Arab representatives in the Central Government. That government should be regarded as an interim government, intended to prepare the way for a bi-racial system of self-government, when the new trusteeship will end and Palestine become an independent State. We have insisted as a matter of principle in India that the Moslem representation in such a government should be equal to that of the Hindus. The Moslem proportion to Jews in Palestine is very much the same as the Hindu proportion to Moslems in India, and we may reasonably propose that in Palestine as in India the principle of equal representation shall be applied. It is also as essential in Palestine as in India that the new constitution should carry the assent of both communities, and it is therefore very satisfactory to know that, when the British and American Governments have reached agreement, "their proposals will be placed before representatives of both Arabs and Jews". This undertaking by our Prime Minister is in accordance with the Charter of the United Nations, and we are entitled to hope that it portends a round-table conference in which the indispensable foundations of co-operation between the two communities, Jewish and Arab, may at last be laid. The Anglo-American Committee was a thousand times right in declaring that the present system of colonial government "militates most gravely against the chances of reconciliation between Arab and Jew".

Much may legitimately be hoped of Anglo-American co-operation if, as now seems possible, the two great communities, Arab and Jewish, with their political champions in the legislatures of the West, realize at long last that it is useless to continue argument upon the past. The Jewish interpretation of the British Mandate stands no more chance of realization than the Arab contention that the Mandate and all its consequences should be cancelled out. No one can rewrite history or erase accomplished facts. Owing to British action, honourably undertaken in observance of Britain's pledged

word, the Jewish population in Palestine has been multiplied by ten in twenty-five years. The Arab population has meanwhile trebled and greatly advanced. Neither of those two communities can dominate the Holy Land. "Palestine", wrote the author of a classic work, *The Historical Geography of the Holy Land*, more than fifty years ago, "formed as it is, and surrounded as it is, is emphatically a land of tribes. The idea that it can ever belong to one nation, even though this were the Jews, is contrary both to Nature and to Scripture."* It may interest readers of THE ROUND TABLE to know that every word of that passage is underlined in Lord Milner's copy of the book, which he read in Palestine in the spring of 1922.

If Palestine's ancient inhabitants and later colonists will consent to join together in a bi-racial government which can secure the friendship of neighbouring Arab States, they may enjoy every essential liberty in local or communal affairs while Palestine joins with the rest of historic Syria in rebuilding the splendid prosperity which distinguished it in Roman times. But for the fanaticism of the Jewish zealots, the Jews might never have lost Jerusalem. They may return to it in peace and abide there for ever as partners with the other branch of the great Semitic race, if they will now substitute the cult of neighbourliness for the hopeless cult of hate. It is for the two strongest English-speaking nations to prove that Christendom is still not unworthy of its Faith by guiding the other two Faiths which share its Arabian cradle into the paths of peace.

NOTE.—The Government informed Parliament before the two Houses rose for the summer recess that the British and American official delegations conferring in London had agreed upon proposals for establishing a federal government in Palestine which would be responsible for finance, plans of development, foreign relations, defence and law and order. Local government with representative institutions would be entrusted to an Arab and a Jewish province whose boundaries were not defined; two districts, a Jerusalem enclave and the Negeb or Southern Desert, to be reserved for direct administration by the Central Government. The two Houses were informed that the British Government had approved these proposals as a basis of discussion to be submitted to a round-table conference representing the Arab peoples and world Jewry, but that the President of the United States had reserved his decision pending further consideration. Both Houses in debate expressed a general approval in principle of the proposals as a basis of discussion. They have now adjourned till the first week of October.

* *The Historical Geography of the Holy Land*, by George Adam Smith, p. 59.

THE B.B.C. MARKS TIME

DEFERRED ISSUES OF BROADCASTING POLICY

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RITISH broadcasting began in 1922 under a commercial undertaking, the British Broadcasting Company, sponsored by the principal radio manufacturers. An enquiry into the various aspects of broadcasting was held in 1923 by the Sykes Committee (Cmd. 1951), and again in 1925 by the Crawford Committee (Cmd. 2599). The Crawford Committee recommended that broadcasting should not be a commercial enterprise. Nor, at the other extreme, should it be directly under government control. It should be in charge of a public corporation acting as trustee for the national interest, with status and duties corresponding to those of a public service, and with the maximum freedom which Parliament would allow. The Government accepted the substance of these recommendations, and so the B.B.C. was born, with a Royal Charter for ten years from New Year's Day, 1927.

In April 1935, well before the end of the first Charter, another Committee of Enquiry was set up, under the chairmanship of Lord Ullswater. In general it endorsed existing principles (Cmd. 5091), and recommended that the Charter, with a few modifications, should be renewed for a further ten years. The Government acted accordingly, and the B.B.C. began its second decade on New Year's Day, 1937. In less than three years the country, and broadcasting with it, was at war.

"The war record of the B.B.C. was nothing short of heroic. The way all those who loved freedom in Europe turned to the B.B.C. as the Mohammedan does to Mecca when nightly he sends up his prayers, was a remarkable thing. Here indeed was a lighthouse that shone through all the storms of Europe, giving succour and inspiration to the oppressed and hope for the future."

So said Lord Brabazon in the House of Lords on June 26. And no fair-minded critic is likely to dispute this verdict. Most listeners, whatever their allegiance, would admit that the B.B.C. in war-time did well.

But what of the future? Is this instrument, which proved its efficiency in war, necessarily the best or even a good instrument for peace? No gratitude to the B.B.C. for services rendered, no sense of the prestige which it has deservedly won, should be allowed to obscure the issue. The future of the B.B.C. or of any other chosen instrument matters little. What matters is the future of British broadcasting.

So far the present Government in Britain has shown itself curiously impervious to what is at stake. On February 19 the Prime Minister informed the House of Commons that he saw no need for an independent investigation before the Charter was renewed. The press of the left as well as the centre and the right urged an enquiry. In the House of Commons on April 9, in a debate on Scottish broadcasting, members of all parties emphasized the need for certain changes. On June 20 Mr. Churchill tabled a motion, which soon received over 200 signatures, asking for the appointment of a Joint

Select Committee of both Houses. In the House of Lords on June 26 a dozen peers renewed the plea for an enquiry and none spoke against it, except, of course, the Postmaster-General. All this may have influenced the Government to some slight extent. At any rate, when its White Paper on Broadcasting Policy at last appeared on July 2 (Cmd. 6852), it was found that the Charter was to be renewed for five years, not ten, and that, instead of holding an enquiry unnecessary, the Government now proposed "to consider well in advance of the expiry of this period, the desirability of appointing an independent committee to advise on future broadcasting policy".

But by July 16, when the White Paper was discussed in the Commons, the whips were on. In the debate the Lord President (Mr. Morrison) improved a little on the White Paper by promising that, "unless anything unforeseen happens", an enquiry by an independent body would be held well before 1951. A motion to reduce the broadcasting vote by £100 divided the House on party lines, and was lost by 271 to 137.

DECISIONS IN CAMERA

ONE element in the present position is particularly disturbing, and that is the secrecy in which matters of this kind are still shrouded, twelve months and more after the end of the war. Here is broadcasting, a great public service, which for good or evil intimately affects the lives of millions. What should its future be? Not merely is an open impartial enquiry denied to the public for the present, in spite of the widespread demand for it. The Cabinet Committee which did consider this question was, according to common report, the Committee on the Machinery of Government! Closed doors. Nameless witnesses. Decisions secretly arrived at. They ordered these things better thirty years ago. Then, though 1917 was dark enough, the Government of the day appointed an open Committee on the Machinery of Government, the Haldane Committee, whose report published in 1918 (Cmd. 9230) is still admired by every serious student of affairs. To-day, apparently, the governed are expected to take what comes to them, but not to ask to share in its making. First the liquidation of the Ministry of Information and the new arrangements for foreign publicity; then the British Council; now broadcasting. All of them are services which vitally concern the public. All of them are being given their post-war shape by Government while the public at large has no chance of discussing them. Even the wireless licence was raised from 10s. to £1 by Government fiat overnight.

We live in a controlled age, whatever the party label of any Government in power. And the important question is this: is it the things of the body which are being controlled for us, or the things of the mind? In certain physical matters—food, clothes, housing, fuel, and many more—controls are obviously inevitable and right. But in things of the mind and the spirit, controls of any sort should be watched with very jealous eyes. They should be constantly re-examined in the light of full and free public discussion. The burden of proof should always be made to lie squarely on the controllers.

The opposite of control is freedom. And freedom in things of the mind means freedom for the individual to choose. In Britain we are free to choose

between different kinds of religion, different publishers, different newspapers, different theatres, different film companies. If tendencies to monopoly appear in any of these fields, strong forces come into play at once to strike them down. And broadcasting? Here we are met by the astonishing paradox that this freedom-loving country, alone among the democracies of the world, continues under a system which, by being a monopoly, inevitably violates the chief principles of freedom at every turn. It denies freedom of choice to listeners, who must take B.B.C. programmes or none. It denies freedom of employment to broadcasters and would-be broadcasters, who must find their opening in the B.B.C. or nowhere. It vests an enormous patronage, affecting the fame and fortune of all broadcasting writers, speakers, musicians, actors, in single hands. It deprives the B.B.C. itself of the stimulus of rival standards.

THE QUESTION OF MONOPOLY

WHY then has monopoly been tolerated for so long? One reason is that, on all the evidence, the executive staff of the B.B.C. have done their day-to-day work as efficiently as the system has allowed. It is their misfortune, not their fault, that they, like the public, are caught in the toils of monopoly. Another reason may be that the present system suits the Government of the day—Labour, Conservative, Coalition—admirably. The B.B.C. is “independent”. Yet, by the existing Charter and Licence, it can be controlled at will. It can be ordered by Government to broadcast “any announcement or other matter”. And it can be ordered by Government to “refrain from sending any broadcast matter (either particular or general)”; broadcast matter being defined as “music, lectures, speeches, addresses, appeals, weather reports, news, information, entertainments of any kind or description, images and any other matter transmissible by wireless telegraphy”. When Governments find a particular system of broadcasting so congenial, let the people beware!

But the persistence of monopoly is mainly due to the confused thinking which lingers on, not least in high places, as between monopoly and public service on the one hand, and as between competitive and commercial or “sponsored” broadcasting on the other.

The new White Paper on Broadcasting Policy says that the Ullswater Committee of 1933 endorsed the general principles of British broadcasting “after a thorough investigation”. In fact the principal question, the question of monopoly, was never investigated at all. As one of its members, Lord Elton, pointed out in the House of Lords on June 26:

“On the Ullswater Committee we failed, I think, to see the wood for the trees. We examined almost every question except the great question, the fundamental question: is a Government monopoly of broadcasting justified? We went meticulously through detail after detail, but we took for granted the principle that there should be a Government monopoly in what is after all—whether intentionally or not—a factory of opinion.”

“A necessary consequence of the conception of broadcasting as a public service is that it must remain a monopoly.” So wrote *The Times* in a leading article on July 3, with resplendent *non sequitur*. Public service and monopoly have, of course, no necessary connexion whatever. Even in the physical field,

monopoly has become less fashionable than it was. There are now three British Overseas Airways Corporations, not one. In gas, the Heyworth Committee has recommended that there should be ten public bodies, not one. If the railways are to be nationalized, the case for having four corporations is at least as strong as the case for one. Outworn aphorisms about monopoly are of no interest. The question to-day is: granted a public service, what is the most suitable size and type of unit or units for it?

For British broadcasting, the broad answer is clear: one public body for the engineering side and several independent public bodies for programmes. Let the Post Office run the transmitters and other technical facilities, leasing them for programme purposes to a number of separate and competing corporations. Let there be two or more programme services with all-over national coverage, one of them being the B.B.C.'s, and half a dozen services with local coverage—one for Scotland, one for Wales, one for Northern Ireland and three or four for England. Wavelengths, equipment and executive staff are there already, sufficient for a start. And money is there also. To begin with, each of the new public bodies could share the total of wireless licence fees according to existing proportions of expenditure within the B.B.C. The Post Office would get so much for the costs of engineering. The B.B.C. and the other one or two national bodies would get so much each for programme output. And Scotland, Wales, Northern Ireland and the English regions would get so much each.

The history of British broadcasting is strewn with tributes to the importance of the regions.

"Both the Government and the Corporation are fully alive to the advantages to be derived from the spirit of competition in broadcasting, and in order to encourage this, the Corporation is actively pursuing a policy of enhancing the status of its individual regional organizations, and fostering a spirit of emulation throughout the service, with the object of developing a number of vigorous regional bodies, each with a staff drawn largely from the region which it serves and each with a distinctive programme policy in keeping with the character of the region and the needs and wishes of its people. The Government welcomes this policy of regional devolution. The general standard of broadcasting cannot fail to be enriched by the encouragement of the cultural and entertainment resources of the several regions."

These sentences, echoing so many similar utterances from past years, come from the White Paper on Broadcasting Policy. No doubt they are meant sincerely, and not as a smokescreen for the plain fact that the Government is about to reduce the number of regions from six to five, by merging the West and the Midland regions. For all that, such phrases amount to little. No exhortations, no paraphernalia of Regional Advisory Councils—nothing alters the naked fact that London is still to be master.

What is competition worth without power, or emulation without responsibility? "Regional devolution" will remain a sorry sham until Scotland, Wales, Northern Ireland and the English regions become masters in their own homes. Happily there are signs of revolt at last. In Wales the movement for an independent Welsh Broadcasting Corporation has been growing apace. In Scotland a similar movement is led by the Saltire Society, and has received

support from the General Assembly of the Church and other bodies. And there are stirrings of freedom elsewhere. Good luck to them!

COMMERCIAL PROGRAMMES

BESIDES this confusion between the public service and monopoly, with the false assumption that the one necessarily involves the other, there is also a common confusion between competition and commercial or sponsored programmes. Competition? Ah, business. Soap, pills and all those horrid radio advertisements. No, thank you. Not here. "The Corporation has shown no desire to use sponsored programmes (!), and any attempt to do so, they consider, would be resented by a large body of public opinion." The White Paper on Broadcasting Policy follows up this singularly naïve admission with the statement that "such programmes would also be out of keeping with the responsibilities of the Corporation as the trustee of a Public Service". And it goes on to say that we are to be "protected" (the word is the Postmaster-General's in the House of Lords debate on June 26) against this un-British thing. "The Government intend to take all steps within their power, and to use their influence with the authorities concerned, to prevent the direction of commercial broadcasts to this country from abroad."

If it were not so serious, it would be laughable that a responsible Government in this year of grace should be at once so ostrich and so evidently uninformed about commercial broadcasting. Sponsoring can produce the worst programmes in the world, and it can lead to political and other abuses of a shocking kind. Let anyone in doubt of this read *Radio's Second Chance*, by Mr. C. A. Siepmann, who has exceptionally intimate experience of both British and American broadcasting. But it is also, in Mr. Siepmann's view, and the view of many other competent judges, unquestionably the best system, and produces many of the finest programmes of all.

If sponsoring were to be introduced into British broadcasting, two absolute conditions should apply to it. First, it should be confined to programmes of entertainment and excluded altogether from programmes of opinion. Religion, education, talks—broadcasting time for these should never be on sale, on tap to the highest bidder. And, secondly, there should be strict regulations regarding the balance of programmes as a whole, and the ethics and artistry of advertising. What fraction of total hours should be made available for sponsoring, and at what listening times? Which products should, and which should not, be advertised on the air? Where within a programme should the advertisement be and for how long? The public interest calls for enquiry into the whole question of sponsoring—for enquiry, not "protection". Broadcasting, after all, belongs to the people, not to the B.B.C. or the Government. And only after full and open enquiry into monopoly, sponsoring and other matters will the British people be able to decide for themselves which system or combination of systems is the best.

OVERSEAS SERVICES

BRITISH broadcasting to listeners overseas is in two main groups, the Empire service and services to foreign countries. The development of these services

has been remarkable. The Empire service began with ten hours daily in December 1932, rose to eighteen hours in 1939, and on the outbreak of war became a world service enabling listeners to hear the voice of Britain in all parts of the globe. The services to foreign countries began later and more hesitantly. Broadcasting to listeners in their own languages—this was the sort of thing the Germans did. Ought we to really? The foreign language services opened early in 1938 with Arabic broadcasts to the Near East and with programmes in Spanish and Portuguese for Latin America. Services for Europe began during the Munich crisis, in French, German and Italian, and developed fast, especially after the outbreak of war. They reached a peak in the summer of 1944 when the European services amounted to 37 programme hours a day in 24 languages. The total volume of overseas broadcasting at that time was over 130 hours a day in 46 languages.

The important part played by British overseas broadcasts during the war is, as the White Paper says, "universally recognized". And everyone will applaud the Government's decision that the Empire service and many of the foreign language services should continue, financed in future by direct Grants in Aid. As regards control, the White Paper lays it down that the B.B.C. "should remain independent in the preparation of programmes for overseas audiences, though it should obtain from the Government Departments concerned such information about conditions in those countries and the policies of His Majesty's Government towards them as will permit it to plan its programmes in the national interest".

It may well be disputed whether the B.B.C., as constituted at present, is the body best suited to undertake responsibility for overseas broadcasts. That question should be part of the coming enquiry into broadcasting as a whole. But there is no doubt that, in the foreign language field, some such arrangement as the Government propose is right. "It would be unthinkable", as Mr. Morrison said in the House of Commons on July 16, "for Broadcasting House to be broadcasting to Europe, at the taxpayer's expense, doctrines hopelessly at variance with the foreign policy of His Majesty's Government. But . . . it appeared to the Government to be equally undesirable that the Foreign Office should themselves become responsible for the foreign services."

For home programmes there should be several independent public corporations, national and regional. For overseas programmes there should be one corporation or, better, two—one for the Empire, with part of its staff regularly drawn from the Dominions and Colonies, and a second for foreign countries; the technical side, for overseas as for home, being in the hands of the Post Office. But in overseas programmes, particularly in the Empire service, the objective, as at home, should always be the maximum of freedom. And one of the essential ingredients of freedom is the system of agreed free trade in programmes. This system prevailed all over western Europe before the war. No charge was made for programmes from country to country except the costs of transit. If a concert which was being broadcast in Manchester was asked for by France, the engineers in the two countries hooked up, and France relayed the concert to French listeners on payment of transit charges only.

It looks unhappily as if some of those politically responsible for broadcasting in this country were ignorant of this system of international free trade in programmes. And worse than that, it looks as if some of them, in defence of their monopoly, would wish to erect tariff walls within these islands. Replying to the plea made by Scottish and other M.P.s on April 9 for an independent Scottish Broadcasting Corporation, the Assistant Postmaster-General said: "Extra services in regard to great public events, sporting events and such items as 'The Week in Westminster' and 'To-day in Parliament' all come to Scotland free of charge, and they could not be provided if Scotland attempted to be self-supporting from the financial point of view." And again, "It would be wrong to expect to receive, without payment, the programmes from other parts of the country which are so generally accepted and widely enjoyed by Scottish people."

The answer is threefold. London programmes do not come to Scotland "free of charge" or "without payment". Scottish listeners pay their £1 into the London pool like anyone else. Secondly, if London is to play dog-in-the-manger to the regional systems, London must not expect to continue to be fed from outside itself. And, thirdly, a Scottish corporation would, of course, be independent for programmes only. No one in his senses would suggest competing systems on the technical side. Wireless licence fees paid by Scottish listeners would be divided on the same principles as at present: so much for operation (to the Post Office), so much for national programmes (to the B.B.C. and other all-over net-works), and so much for regional programmes (to the Scottish Broadcasting Corporation).

TECHNIQUE OF THE FUTURE

In a very few years from now, British broadcasting, for all except country listeners, is likely to be based in the main not on wireless but on wire. Already in many parts of London, Hull, Southampton and other towns listeners have the new system installed. The advantages it offers over ordinary broadcasting are many. The range of programmes can easily be enlarged to three, four, five or more channels. There is no atmospheric disturbance. The volume of sound can be centrally regulated according to the nature of the building and its neighbours. Wired wireless and frequency modulation will soon make ordinary broadcasting seem remote. How strange that the only reference which the new White Paper on Broadcasting Policy makes to wire broadcasting should be in a small-print appendix!

Television from Alexandra Palace began again on June 7, after a suspension of nearly seven years since the outbreak of war. Plans are in train for extending it by cable or wireless link to Birmingham and other provincial centres. The same general principle should hold for television as for broadcasting in sound: one concern for technical operation, and competition in programmes. This was the view strongly held by the late Mr. J. L. Baird, inventor of television and one of the ablest men of our times. He urged it before the Hankey Committee on Television in 1943. But that Committee, like the Ullswater Committee before it, apparently missed the wood for the trees. The fundamental problem, monopoly, plays no part in its report.

ATOMIC ENERGY

THE PROSPECTS FOR WORLD CONTROL

THE Atomic Energy Commission of the United Nations has reached the end of the first main phase of its discussions, which will now continue in greater detail in a number of technical sub-committees. The general "second-reading" debate which has already taken place both in the Commission itself and in the various alternative forms into which it has resolved itself (the working committee, sub-committee No. 1 and so on) has revealed two main theses, the American and the Russian. Between these there is at certain points a fundamental opposition, which will need careful handling if it is not to lead to deadlock. There is in fact at present no sign of any basis for agreement. On the one side there is the Russian proposal for an international convention under which the parties would agree not to produce or possess atomic weapons; and—more important still—to destroy those they have within three months of the coming into force of the convention. Deceptively simple, it recalls in some ways M. Litvinov's famous proposals in the Disarmament Conference. On the face of it nothing could be more logical and straightforward; and yet it so obviously ignores the realities of the problem that it is difficult to resist the thought that its purpose may be largely tactical.

On the other side there is the American thesis, which is not merely American, since it finds support in all the public declarations already made by Governments, both at Washington, at Moscow and in the General Assembly. On each occasion it has been urged that international control of this new force depends essentially for its possibility on confidence; that confidence can only be built up gradually; and that no nation can be expected to surrender any advantages it now possesses, whether in stocks of bombs or in technical knowledge, until it can feel sure that the system of control will prove a reality. Here again there is perhaps some resemblance to the French insistence between the wars that disarmament must be preceded by effective guarantees of security.

The first main antithesis, therefore, between the American and Russian points of view concerns a question of timing and procedure. On this it is by no means impossible, if the will to find a solution exists on both sides, that a compromise may be found.

But there is a further disagreement about the nature of control itself. A highly important part of the Baruch proposals—not derived from anything in the Lilienthal Report—was the demand for sanctions against any nation violating the system of control, and the insistence that the operation of such sanctions must be unrestricted by any veto procedure. The veto is a subject on which, as is well known, the Russians have always felt strongly. At the same time it is difficult to see how the United States can depart very far from the position they have taken up. There are too many examples still fresh in

our minds of the way in which the veto can be used to obstruct and delay decisions at every turn. Here therefore is a rock on which the discussions may well founder without a more than ordinary measure of skill and good fortune.

LIMITATIONS OF THE LILIENTHAL PLAN

LET us look, however, a little more closely at the first of these two possible points of conflict. The Americans are unwilling to surrender their present lead in knowledge and production except by degrees and as confidence in control grows. It is not hard to see the justification. The Baruch proposals, which were based in most of their essentials on the Acheson-Lilienthal Report, are remarkable for their boldness. But there is no precedent for them, and until they have been tested by experience many uncertainties will remain. The outlines of the plan are well known. A new type of international authority is to be set up, which alone will have the right to carry on those activities (such as the mining of uranium or thorium and the production of the active materials plutonium and U. 235) which can be used for warlike as well as for peaceful purposes. "Dangerous" activities such as these must be controlled by entrusting them to an international monopoly.

The Lilienthal Committee held that there was a further range of activities which might be treated as "safe" in the sense that they might be carried on by individual nations, under international supervision. This distinction between "safe" and "dangerous" activities was based upon the possibility of "denaturing" fissile material, that is, of treating it in such a way that it is no longer suitable for use as an explosive.

If this can be done the whole problem of control is greatly simplified. A fundamental difficulty in atomic disarmament lies in the fact that so many of the processes required to make use of atomic energy can serve either a peaceful or a warlike purpose. This is a difficulty which runs through all discussions on disarmament. We have long ago come to the conclusion that to abolish military aviation would be impossible. It is notorious that the first stage of the German rearment in the air was the vigorous development, with government assistance and encouragement, of the German civil air services. The tractor plants at Stalingrad, brought into being under a five-year plan for peaceful industrial development, equipped the armoured divisions which turned back the tide of German invasion. The line is even harder to draw in the field of atomic energy. Here is a discovery which may lead in time to a new industrial revolution. The scientists indeed compare it with the discovery of fire. Already it can be used to produce weapons of appalling power. It can serve either purpose.

How is the world to be protected against the dangers without being denied the benefits? It has been suggested that the answer lies in a system of inspection. Each government, so it is argued, must agree to use atomic energy only for peaceful purposes; and a corps of international inspectors must roam the length and breadth of every country, however vast, however thinly populated, to see that this undertaking is being carried out.

ATOMIC ENERGY

The Lilienthal Committee thought that to do this would be quite clearly impracticable. To survey the whole industry of a country, to sift out and separate the lawful from the unlawful, might well seem a task more formidable even than the separation of isotopes. It would be necessary to know not only what people were doing, but why they were doing it. If a plant is found in which fissile material is being made, that in itself reveals nothing. The material might be intended for the production of power no less than for the filling of a bomb. The strictest accounting and the most detailed supervision would be necessary therefore in every process and at every stage in order to determine the use made of every pound of material.

But if the active material can be denatured, produced, that is, in a form in which it is useful only for the production of power, then the whole matter becomes much simpler. Denatured material would be produced by the international authority and distributed to individual governments for industrial use. It would be only necessary then to consider what people are doing and not why they are doing it. The inspectorate must watch for an attempt by a nation itself to produce fissile material, or to treat the denatured material which it has received in such a way that it can once more serve a dangerous purpose. If such an activity is detected it will give at once a clear and unambiguous warning of evil intentions.

The three main foundations therefore on which the Lilienthal plan rested were:

- (1) An international authority to which would be entrusted a monopoly of all dangerous activities.
- (2) A modified and simpler form of inspection, sufficient to ensure that the monopoly really was a monopoly and that no nation was carrying on dangerous activities.
- (3) The widespread development through national agencies, but under international supervision, of "safe" activities based upon the use of denatured material.

The Lilienthal Committee were cautious in the claims which they made for denaturing as a safeguard. They pointed out that the purpose of denaturing might be defeated if steps could be taken to remove the denaturant, or if more ingenious methods could be developed in the field of atomic explosives which would enable denatured material to be used in a weapon. In public discussion of the Lilienthal Report these qualifications tended to be ignored, and the State Department later found it necessary to issue a press release underlining the difficulties. Two paragraphs may be quoted from this statement:

"In every case denaturing is accomplished by adding to the explosive an isotope which has the same chemical properties. These isotopes cannot be separated by ordinary chemical means. The separation requires plants of the same general type as our plants at Oak Ridge, though not of the same magnitude. Construction of such plants and the use of such plants to process enough material for a significant number of atomic bombs would probably require not less than one, nor more than three, years. Even if such plants are in existence and ready to operate, some months

must elapse before bomb production is significant, but unless there is a reasonable assurance that such plants do not exist, it would be unwise to rely on denaturing to ensure an interval of as much as a year.

"For the various atomic explosives the denaturant has a different effect on the explosive properties of the materials. In some cases denaturing will not entirely preclude making atomic weapons, but will reduce their effectiveness by a large factor. The effect of the denaturant is also different in the peaceful applications of the materials. Further technical information will be required, as will also much more complete experience of the peacetime use of atomic energy and its economics, before precise estimates of the value of denaturing can be formulated, but it seems to us most probable that, within the framework of the proposals advanced in the State Department report, denaturing will play a helpful part."

The statement ended with the conclusion that denaturing, though valuable in adding to the flexibility of a system of controls, could not of itself eliminate the dangers of atomic warfare.

Finally, Mr. Baruch, in bringing the American proposals before the International Commission, said that denaturing seemed to have been overestimated by the public as a safety measure, and that the use of denatured materials would always require suitable safeguards.

It is clear, therefore, that the category of activities which may really be classed as "safe" is much smaller than was at first supposed, and must, in fact, be limited to scientific research (including such things as the operation of low-energy piles and the use of radio-active material as tracers) in which the quantities of active material used are so small as not to be dangerous. But if atomic energy is to be developed on a large scale as a source of industrial power, some fairly close system of supervision by the international authority will be required to make certain that the denatured material which it has supplied for these economic uses is not being "renatured" so as to make it suitable for use in a bomb. To provide for this will not be easy.

What is to be said of the method by which, under the American proposals, those activities which are undoubtedly dangerous are to be controlled? These, it will be remembered, include all prospecting, mining and refining of uranium and thorium, the production of any fissile material (U_{235} or plutonium) and research and development in atomic explosives.

One cannot help being struck first by the formidable extent of the task which will face the new authority. They are to have a monopoly of all raw materials, as well as of production plants. Their first duty, therefore, is to assure themselves that they really do possess that monopoly. For this they require knowledge as complete as can be achieved of the distribution throughout the earth's crust of uranium and thorium, the two principal materials on which the use of atomic energy can at present be based. It is a mistake to suppose that the deposits of these materials are well known, concentrated and few in number. If we include low-grade deposits, which, given sufficient effort, could be exploited, there are few countries of which it could be said with confidence that they contained no source of these materials. But they do not necessarily occur by themselves. They will very frequently be found as by-products of such minerals as gold, copper and vanadium. To survey the

whole field and to ensure that no misuse will occur of any significant part of these supplies is a task which will not be easily or quickly mastered.

Let us consider next the method by which these and other functions of control are to be carried out. It is proposed to entrust them to an international authority. We must be clear what this means. We may be convinced, as leading men on both sides of the House of Commons have declared themselves,* that only by the development of some form of world government can the curse of war be eradicated. But this will only be possible when national sovereignties have in large part been merged in some wider allegiance. To-day the first loyalty of the citizens of every country is to their own Government, and the only form of international organization which we know is an association of independent sovereign States loosely knit together under the terms and for the purposes defined in the Charter. In speaking of such a body the phrase "international monopoly" is a contradiction in terms. To entrust something to an international authority of this sort is not to raise it above the level of individual Governments; it is merely to ensure that they all share in it. The Lilienthal Report, and to some extent the Baruch proposals, speak as if there was an antithesis between the international authority and the Governments that compose it. In fact, they are identical. Thus, to say that only the international authority may engage in research into atomic explosives seems to mean no more than that the results of such research must be common to all. Again, in the case of plants for producing fissile material, there is no international territory or "no-man's-land" where they can be situated. The Lilienthal Committee were forced, therefore, to fall back on the principle of "strategic balance", which appears to mean that the new authority must build plants in every important country. If every nation represented on the authority had an equal contribution to make in knowledge and experience, no one of them would need to feel that such a form of co-operation would carry with it any sacrifice. As matters stand to-day, the United States is entitled to consider that in making these proposals it has made a generous gesture.

Nevertheless, if a plan of this sort could be put into operation we should certainly have taken a long step towards the building up of an effective system of world government, such as everyone must desire; and it may be argued that it is through a "functional approach" of this kind, by developing the practice of international co-operation, without seeking to define too closely or too absolutely its constitutional forms, that the best hope of progress lies. But it is as well to realize that this is a different conception from that of the Lilienthal Report. The international authority which we should create would be no supra-national body, exempt from individual jealousies and suspicions and beyond the reach of controversy, which could safely be trusted with any responsibilities and would be capable of imposing its will without challenge on any nation. It would be a particularly delicate piece of machinery, a joint undertaking in which governments would pool their resources to develop the use of atomic energy in every country, in the belief

* See *Five Speeches on World Government*, THE ROUND TABLE, No. 142, March 1946, pp. 117-26.

that by this means they could best ensure that it would be used for peaceful and not for destructive purposes.

A POSSIBLE COMPROMISE

We have tried to show above something of the uncertainties which must surround the working of the plan for international control. The United States Government are surely entitled to urge that such a plan cannot be put into force in a day, that it can only succeed in an atmosphere of confidence and that that confidence must be built up gradually. Until that confidence exists and until the system is seen to be working effectively, it would be unreasonable to expect them to destroy their existing stock of weapons.

On the other side, the Russians may reasonably claim that so long as the United States retains her freedom to produce or possess bombs, other countries cannot be bound not to produce them. To expect otherwise is to ask the world to agree to prolong, for some uncertain period, an American monopoly.

But a solution might perhaps be found if it could be agreed that the machinery of the new authority should be set up first, its powers defined, and some of its preliminary tasks first discharged. The "appointed day" on which the production of bombs would become illegal for any nation could be placed fairly late in the programme of action.

But even this hope will fail if all nations are not equally prepared to throw open their frontiers and permit full liberty of access and full freedom of operation to the international authority. Up to the present the Russian attitude on this point has not been fully revealed. But the violent attacks in *Pravda* on the Baruch plan have been followed by the open rejection by M. Gromyko of the American proposals "as they are presented now" both as a whole and in their separate parts. If the Russian Government is really determined to maintain the strict secrecy which it has, for some time past, imposed on all developments—economic as well as military—then there can be small hope of any successful outcome of the Commission's work. The Russian proposals would then be seen as no more than a tactical device under which, by putting forward proposals which they must know to be unacceptable, they might hope to place upon others the onus of refusal and the responsibility for a breakdown in the negotiations. Let us hope that such fears will be falsified by events.

Nevertheless, if the Commission fails to reach agreement, if the Russians insist on retaining the veto or continue to demand that all bombs shall be destroyed as a preliminary to any further discussion; if the Americans, for their part, feel that the uncertainties of control are too great for them to give up at one stroke and without effective safeguards the means of self-defence which they now possess—what is the outlook? Must mankind, like the lemmings, continue to move, driven by some mysterious urge, towards inevitable self-destruction? The answer may prove to be that the proposals at present before the Commission are too ambitious and that an alternative line of approach must be sought. What that line might be can be seen from Professor Woodward's very able pamphlet *Some Political Consequences of the*

*Atomic Bomb.** To abolish or limit the production of certain categories of weapons while the possibility of war still persists is a baffling problem. Unless the strict enforcement of the undertaking can be guaranteed, each nation will be haunted by the fear that, while they observe, others will evade the provisions of the agreement. It may be found a simpler and more practicable task not to try to ensure that no nation makes atomic bombs, but to try to see that no nation will dare to use them. The probable consequences of retaliation by the victim are already serious enough. If retaliation, immediate and concerted, by every nation that possessed atomic bombs could be assured, the deterrent effect of such a threat might be overwhelming. Such a proposal is admittedly a second best and would provide no more than a precarious assurance of safety. But it may be worth trying if agreement cannot be reached on the more ambitious proposals hitherto discussed by the Commission.

* Oxford University Press, 1945. Price 2s.

A FIFTH PROVINCE OF THE UNION?

THE FUTURE OF SOUTH-WEST AFRICA

DURING the parliamentary session just ended in South Africa, the Nationalist member for Beaufort West, Mr. Eric Louw, who, when his party was in power, represented South Africa in the U.S.A., moved a motion asking for the immediate inclusion of South-West Africa in the Union as a fifth province. He argued that the League of Nations, which had ceased to exist, had no right to transfer its powers in respect of mandated territories to any Power or group of Powers, and the United Nations Organization had no right accordingly to determine the fate of South-West Africa. Taking part in the debate the Prime Minister expressed his confidence that he would be able to present to the United Nations Organization a particularly strong case for the inclusion of South-West Africa in the Union. If he were unsuccessful, however, he was willing to allow the Union's relationship with South-West Africa to revert to the *status quo*, that is, the Union would continue to administer South-West Africa, but would submit reports on the territory to U.N.O.—in the same way as reports had been submitted in the past to the League of Nations. General Smuts was of the opinion that whether the Union obtained the inclusion of South-West Africa, or continued under present arrangements, it would shortly be necessary to give representation to the people of South-West Africa in the Union Parliament.

The alacrity with which Great Britain and Australia have accepted the new Trustee system in place of that of Mandates may appear to reflect on the Union of South Africa, which rejects its application to South-West Africa, the more so since her policy in this regard will at first sight seem to conflict with her Prime Minister's pronouncements on a new world order, in the framing of which he has had no small part. But for correct judgment of the situation and South African sentiments thereon it must be realized that the relationship here is entirely unlike that existing elsewhere between any Mandatory Power and its Mandated Territories. For it is not, as in other regions, a question of territory remote from the Mandatory State, as for example Palestine or Tanganyika Territory, a difference recognized when South-West Africa was placed under a "C" Mandate. No space and no natural boundary line separates the Union from South-West Africa, no physical or ethnological demarcation distinguishes the one from the other. The two countries are contiguous, the one merely a geographical projection of the other, and the excision of the one from the other is mutilating to the whole body of sub-tropical Africa, much as would be the separation of Wales from the United Kingdom.

The claims of the Union are by no means of recent origin. Except for two landings by Portuguese voyagers in the fifteenth and sixteenth centuries and later periodic visits by whalers, the whole thousand-mile coast of South-West

Africa remained untenanted until Walvis Bay was annexed by the Cape Colony in 1878; and the 318,000 square miles of its hinterland was unknown till it was penetrated, explored and opened to Europeans by South Africans about the turn of the eighteenth to nineteenth centuries. No other claimants to this vast area came forward, and until late in the eighteen-eighties it could have been joined without challenge of right to the Cape Colony, would, in fact, have passed into its possession but for inexplicable vacillation on the part of the United Kingdom and Cape Governments. Bismarck himself expressly acknowledged it as properly belonging to Britain, even urged it upon the British Government. Yet it was allowed to fall to the Germans, who had never set foot there nor had a shadow of claim thereto. And when finally, after thirty years of misrule, the country was wrested from Germany, it was done by Union arms; and it was as though the Dominion had but retrieved that which rightfully belonged to her.

Thus by every natural right and normal usage this region should then at last have been constituted an integral part of the Union of South Africa. To that situation there is no parallel in the distribution of ex-enemy colonies. Nor has the Union been failing in its trust. The Mandated Territory, never in the past self-supporting, has been generously financed by her and thereby been brought to prosperity unprecedented in its history. Union nationals have settled there and now form the bulk of the white population, and they have developed its resources in hard toil and through years of vicissitudes. At its own expense, the Union has linked the territory's railways to its own system, thereby giving access to markets and ports without which South-West Africa would altogether lack adequate outlets and facilities for development. No other country could have given like effective aid; and without it South-West Africa would have remained largely undeveloped.

Moreover, this association is to mutual benefit. If the Union can help South-West African production and exportation, South-West Africa offers a market for Union manufactures and supplies, while its mineral wealth is complementary to that of the Union. Above all South-West Africa is strategically important to the Union, a bridgehead that in enemy hands would be—as in truth it was—a standing menace to her security; and on the other hand the defence of South-West Africa can be effectually secured only from the Union. Thus Union tenure of South-West Africa is a vital necessity to both countries and, whereas the transfer of any other mandated territory can be envisaged, it is out of the question that South-West Africa could be affiliated to any other Power but the Union of South Africa. The welfare and destiny of the territory rests with the Union, and it will not be better served by interposing a third factor or restricting Union interest in the land.

In the years of world-wide Nazi intrigue the Europeans of South-West Africa were made acutely aware of the menace of alien influence in their midst, and they are alive to the need for strengthening their national foundations. To the articulate and responsible section of the community Trusteeship savours too much of intrusion by foreign elements that can have no genuine part or interest in their concerns. What they demand is that they shall no longer be virtually stateless internationals and their

country a pawn to be shuffled for the sake of the big pieces on the international chessboard.

NATIVE INTERESTS

THUS far the claim of the Union to South-West Africa appears to be founded in justice. But judged by that merit alone there will be seen another aspect of the case which will figure prominently in international councils. Undoubtedly the Mandate system was originally conceived largely as a device to safeguard the interests of indigenous peoples who, in South-West Africa as elsewhere, form the mass of inhabitants; and the Trusteeship system is evidently designed to further that objective. It would be idle to ignore the fact that this consideration will be weighed against the claims of the Union, and recent events in South Africa may from this point of view have unfortunate repercussions. If the truth must be told it is fundamentally the same cause that makes transfer of the British Protectorates in southern Africa unacceptable to their native inhabitants, who otherwise have much to gain by incorporation in the Union. Thus when the question of South-West Africa comes up for decision the Union's native policy will, no doubt, be responsible for a disinclination in sundry quarters to entrust other native populations to her care.

In fairness, however, it must be said that to the Europeans of South Africa the crux of the issue is the threat of ultimate domination by the overwhelming numerical preponderance of the native African peoples. Be it remembered that the Union is among the youngest of nations, still immature, but having a long memory of bitter struggle for survival waged against savage peoples whose descendants outnumber them by four to one. But a fresh outlook and a new spirit is undoubtedly emerging that stands for equity, and at the same time economic necessity is pointing to the expediency of utilizing more effectively South Africa's whole man-power of whatever colour. Thinking men must realize that sooner or later colour bars are doomed; but the champions of the coloured cause are apt to talk glibly, unmindful of the inescapable time-factor in human progress. Admittedly, the present conditions of the detribalized Union native working on farms or in the big urban centres leave a great deal to be desired. But the Union's administration of her own native territories has in recent years had a record of sound progress that is not sufficiently known or recognized by outside opinion. And in South-West Africa, in particular, the large native territory of Ovamboland has under the Union Mandate been conspicuously well administered under the system of indirect rule.

Taking everything into account, it is logical to believe that the Union has more to contribute to the development of South-West Africa than can be conferred by any international body, and those who desire its welfare will avoid tampering with the ties, historical, regional, and material, which afford the only sound basis for South-West Africa's future.

INDIA'S TASK

THE CHALLENGE OF THE MUSLIM LEAGUE

ON July 29 the Muslim League in full conference reversed by unanimous vote its Working Committee's earlier acceptance of the Cabinet Mission's plan for an Indian Constituent Assembly. The grounds given for this decision were that the Muslims had been betrayed by the Mission and the Viceroy, through the failure to form a Cabinet under Muslim League leadership after the League had accepted but the Congress refused the invitation of June 16 to form an interim Government of India; and by the Congress through the speeches by Pandit Nehru and others implying that the Congress regarded itself as bound by no conditions in entering the Constituent Assembly, whereas, of course, the conditions meant everything to the League.

It is right to say that the negotiations for an interim Government appear from London to have been mishandled. When the Congress insisted on nominating one of the five Muslim members, the Viceroy replied that he had undertaken otherwise to Mr. Jinnah. When the Congress then said that they would give one of their own places to an additional Muslim, sacrificing a Hindu member, Lord Wavell might, it seems, have said that that was their business, and left Mr. Jinnah with the responsibility of causing a breakdown. Rightly or wrongly, he upheld Mr. Jinnah's point against the Congress, who then rejected the invitation to enter the Government. Not only the Muslim League, but British observers also, then expected a Government to be formed with Mr. Jinnah at its head. That seemed the obvious consequence of acceptance by one party and rejection by the other. For a fresh attempt to form an interim Government on the same basis was bound, it would seem, to lead to the same result, whereas if the basis were altered in favour of the Congress, and if the Congress then accepted while the League declined, the precedent created would give substance to the charge of a breach of faith, should a Congress Government without the League then be accepted. The Muslim League certainly had a grievance, which the somewhat involved and formal explanation given by the Secretary of State in Parliament on July 18 did nothing to allay. Pandit Nehru's approach to Mr. Jinnah in August, following the Congress resolution acknowledging the conditions of the Constituent Assembly, was a statesmanlike act, but the harm had been done. At the time of writing, early Muslim participation in the interim Government appears unlikely.

A grievance over the interim Government, however, was no sound reason, by standards of statesmanship, for throwing over the long-term constitutional plan. Nor was the other excuse given by the League. The Congress leaders had spoken provocatively and with all the accumulated unwisdom of irresponsibility about the Constituent Assembly. But the right place to challenge them was the Constituent Assembly itself. Sounder Muslim statesmanship would have put the issue to the test.

The true reason for the League's action must be sought in tactics and party interest. Mr. Jinnah compromised with the Mission over Pakistan because he feared that, if he did not, the solidarity of the Muslims might break, and the curve of his political power, which had risen steadily since 1937, might begin to decline. The elections to the Constituent Assembly, and the adherence of certain prominent non-League Muslims to the League cause, showed that the curve was still rising. He and his henchmen felt that they could do even better for their cause by holding out than by compromising. It is the tactical situation which the Congress and the Viceroy, emulating Mr. Jinnah himself, will watch for every opportunity to undo the damage and pull India back from the brink of civil war, over which she has gazed in August 1946.

The whole work of the Cabinet Mission appears at first sight to have been undone. Certainly the situation is very grave. But time will show that permanent achievements have been gained. The sincerity of the British Government, despite the Muslim League's charges over the interim Government, has been proved to India and the world as it was not proved even by the Cripps Mission of 1942. And a tentative solution of the constitutional problem was accepted by the two main parties for the first time. What can be done once can be done again. Just as the Cripps offer was the starting-point of the negotiations of 1946, so the Cabinet Mission's plan will be the starting-point for all future efforts to form a new constitutional structure for India. Whether or not the League co-operates, it is the agenda for the Constituent Assembly to begin this autumn.

THE CONSTITUTIONAL PLAN

THE plan was both ingenious and statesmanlike. Although in its presentation it began with the proposed Indian Union, its basis was essentially the autonomy of the provinces. This device, advocated by THE ROUND TABLE six months ago,* seemed to have squared the circle of Pakistan by giving the Muslims the chance of a national home, having full social and economic powers, but within an Indian Union confined to the minimum of necessarily central subjects. In the Constituent Assembly the representatives of British India would come as representatives of their respective provinces, elected by their provincial legislatures. The first operative stage of the Assembly's work would be the drafting, not of the Union Constitution, but of the Constitutions of the provinces, whose representatives would be assembled for that purpose in groups; and the groups themselves might, if their constituent provinces so chose, form group constitutions for such purposes as those provinces chose to pool. Only then would the Constituent Assembly get down to the task of framing a Union Constitution of all India—and this Union, it was conceded in advance, would be confined to three fields of power only, foreign affairs, defence and communications, unless the major communities jointly and severally agreed otherwise. All this is tantamount to saying that sovereign powers of government reside in the provinces, but that as the condition of practical exercise of those powers

* See THE ROUND TABLE, No. 142, March, 1946, pp. 156-8.

they agree in advance to grant to a Centre the minimum of functions of all-India concern. THE ROUND TABLE may be excused for saying "I told you so".

The Mission themselves emphasized in their statement of May 16 that the new constitutional structure of India was not for them but for Indians to decide. The Congress, however, no less than the Muslim League, pledged themselves to the rule that resolutions in the Constituent Assembly varying the Mission's main proposals or raising a major communal issue should require a majority of the representatives of each of the two major communities. The communal veto, in other words, would not operate from a *nil* starting-point, but from that of the Mission's proposals. The proposals in question comprise :

1. An all-India Union dealing with foreign affairs, defence and communications and having power to raise the necessary finance for those purposes, but leaving all other subjects, including residuary powers, to the provinces;
2. A veto in the Union legislature for each of the two major communities on questions raising a major communal issue;
3. Participation of the States in the Union to the extent of such powers as they choose to cede;
4. Freedom of provinces to league together in certain groups;
5. Right of provinces to call for revision of the Union and group constitutions at ten-yearly intervals.

One of the consequences of the acute scarcity of newsprint in Britain has been the lack of space in the press for serious discussion of such vital but not urgently topical subjects as the future Indian Constitution. Had it been otherwise, enlightened British opinion might have been directed, not only to the revolutionary contrast between what is proposed and previous constitutional tradition, but also to the important bearing that it has upon other constitutional problems facing the British Commonwealth and the world.

Never before has there been a "three-decker" constitution, with federations within a federation. Never before has a constitution provided that decisions of a certain type should require separate majorities of two religious communities. Never before has a national federation been confined to such a restricted field of powers, excluding the whole range of economic and social legislation and administration. Never before has it been sought to federate parliamentary democracies with monarchies only partially limited by constitutional law and usage.

THE FUTURE OF THE STATES

THE last innovation, though repugnant to many democrats in India and elsewhere, is really not very remarkable. We contemplate an Indian Union with an executive answerable in some way to the legislature—probably not representative only of the majority of the legislators as in the British system, for that would not suit and has not suited the Indian communal and caste position, but deriving its ability to govern in the last resort from the legislature's support. A one-man executive directly chosen by the people, as in the United

States, is hardly likely to be acceptable to India's diverse communities. The legislature is therefore the key to the whole governmental system; and as members of the legislature there will sit, presumably, representatives of the Provinces, directly or indirectly elected, and representatives of the States, some of them nominated by their Rulers. Is there anything more than formal objection to this? It can affect neither parliamentary rights nor procedure. The Indian Union legislature may in certain respects be like the House of Commons before the Reform Act of 1832, when tribunes of the people voted and hobnobbed with nominees of the pocket-borough owners—on both sides of the House. But there are worse characteristics in which the Indian legislature might parallel the unreformed House of Commons, as indeed some fear that it may.

Moreover, it is clear as daylight, to the Indian Princes no less than the rest of the world, that only constitutional limitation of their powers in favour of elected spokesmen of their people can save them for long in the new India. To what extent the support and favour of the British Crown has saved many of them hitherto, if not from extinction, at least from surrender of autocratic power, may be a matter of debate; but, for the future, as soon as British authority is transferred to a fully self-governing Indian Union the point will be put to the test. For the British Government has made plain that under that new régime it will have no capacity to interfere in the affairs of India or therefore to carry out its side of the Crown's engagements with the Princes—to defend their States and uphold their dynasties, subject to various provisos written or unwritten. Hence the engagements must lapse, paramountcy—which cannot be transferred to an Indian Government—must disappear, and the States must be left on their own to sink or swim.

The constitutional position of the States, large and small, in the new India is as yet an unsolved riddle. They are scarcely international entities; for they have never, at any material time, exercised any external jurisdiction, nor been recognized as external "Powers" by anyone—even their Princely neighbours, the Political Department having discouraged diplomacy among States. Can they now assume external powers that they have not previously possessed? That depends, to some extent, on their own administrative and military strength, but also on recognition by others, which will not be readily forthcoming either from the Indian Union or from foreign Powers. Clearly only the very largest and strongest of the States could aspire to international status with any hope of success. All but one or two of the first half-dozen States have no sea-board and therefore no means of intercourse with the outside world save by grace of their Indian neighbours.

Conceivably there might be exceptions, but for the Indian States as a whole only three possible courses are open: to join the Union as separate member units; to merge or sub-federate with neighbouring States so as to form possible member units of the Union; to join with a neighbouring province or provincial group and participate in the Union in that indirect way. The alternatives correspond broadly with three classes of States, according to their financial and administrative resources. The greater number of the States—by far the majority by count being small and poor—will have to

link themselves with the provinces. It is unlikely that they will be able to do so without surrendering a large portion of their independent authority, especially in the economic and fiscal field. The provinces may also make a democratic limitation of the remaining Princely powers on condition of taking such States under their wing. Many States will refuse such terms, and some will succeed in holding out for a long while; but every advance in communications and in general economic standards strengthens the whip-hand of the Provinces. In the end the alternative to submission for the small States is extinction.

Is the same true of the States that are large enough, rich enough and well enough managed to join the Union either severally or in regional groups? Their power of independent survival is stronger, and so is the interest of what is now British India in securing their willing participation in the Union. The terms of such participation may be expected, therefore, to be more favourable to the preservation of the Princes' sovereign powers. But restriction of those powers both by curtailment of their range and by constitutional limitation of monarchy is inevitable for all.

The Union will have power to raise the finances necessary for the conduct of its own range of powers, which include the expensive item of defence. Even if a levy on the States, raised by their own fiscal and administrative machinery, is acceptable as their contribution, the financial power implies a right of interference to enforce the levy, by the raising of revenue or by the limitation of their expenditure. The defence power implies, too, a power to suppress internal disorders which are dangerous to external security, and this power, which was inherent in paramountcy, in turn implies a limitation of State sovereignty. Social and political forces are bound to lead to a more democratic order within the States. Their leading Princes have already recognized that this is the condition of their survival. Much of the new democracy in the States may be superficial, but it will take root. At the same time, the tradition of personal rule is deep-seated in India, and the people of the States themselves may well prove to be its chief defenders if its exponents march with the times. It has an immense value of its own in Indian conditions, especially in face of communal rivalries.

The presence of the States must greatly complicate an already involved constitutional system. The three decks may each include various levels. A big State may be found surrendering its powers in defence, foreign policy and communications—and the necessary finance—to the Union, and its powers in customs, currency and certain other economic matters beyond its scope to a group of provinces, while retaining other economic powers, such as company law, industrial promotion and social services, which would be exercised by the group for its provincial members, as well as still others like agricultural policy which would be exercised by the provinces themselves.

Obviously, if a system so complex is to work it must be infinitely flexible. The pattern of the older and more homogeneous federations will not do. What is wanted is a series of administrative organs, specialized to different functions, each with its own miniature Government in the shape of an execu-

tive committee, ministerial powers being exercised by its chairman, and the chairmen (and perhaps deputy chairmen) together forming the Government proper. A device of that kind may help, too, in solving the problem of the Indian Union itself, for which the ideal system of government certainly does not seem to be a Cabinet-and-Parliament model. It should be noted that the three subjects of foreign policy, defence and communications are characteristically matters of expert administration rather than amateur legislation. The true rôle of the Union legislature is clearly that of approving the executive in the first place, voting finance, and acting as an occasional court of reference on matters of major communal concern, when the Muslim and Hindu veto operates. The veto could paralyse government if it were not kept well in the background. But if members of the legislature are not to be tempted to assert themselves factiously over against the executive, they must be more closely associated with administration than they are, for instance, at Westminster, let alone Washington. The example of the Donoughmore Constitution in Ceylon is not, it is true, encouraging, but the circumstances of the Indian Union will be entirely different.

SOVEREIGN PROVINCES

THE limitation of the Central field of power to foreign affairs, defence and communications (by which is obviously meant external and through communications by sea, air, rail and road, excluding local communications and transport) is perhaps the most startling of all the Mission's proposals. It was necessary to secure the adherence of the Muslim League, but it raises some extraordinary problems. The provinces or provincial groups will have power to control, not only their own industrial and social policy generally, but such matters as customs and currency which have been regarded hitherto by constitutionalists as part of the irreducible minimum of central powers. It follows that the provinces or groups must have their own international relations in the economic field. They must severally become parties to such multilateral instruments as International Labour Conventions. They must sign their own treaties of commerce with foreign countries, must separately participate in the organs set up by Bretton Woods. It is with them that His Majesty's Government must treat for the future safeguarding of British commercial interests (except in communications) and the position of United Kingdom subjects in India. All this is true whether or not India remains in the British Commonwealth; it is even possible that parts of India might wish to remain in the Commonwealth for purposes of preference and economic collaboration generally, while the Union Government wished to sever the British connexion. Does it not follow, furthermore, that the Indian provinces, or provincial groups, rather than the Union should be represented on the Economic and Social Council of the United Nations?

Here are strange anomalies and hard problems. But the fact is, that if the present proposals go through, a new phenomenon will have appeared upon the world scene. The Indian provinces—let us omit the groups for the sake of simplicity—will, as we have noted, be in effect sovereign Powers, having pooled their sovereign rights for certain purposes, subject to a communal

veto and to a right of revision after ten years. Basically it is they who will be nation States comparable with other sovereign States of the world; the difference will be that they will have appointed a Union Government to represent them in the world at large for certain matters, primarily security.

They will be, in short, virtually in the position of countries accepting the doctrines which will be for ever honourably linked with the name of Mr. Lionel Curtis. The essence of those doctrines is a warning to sovereign States that if they are not to perish in another holocaust they must unite in an organic union, directly representative of their people, for the limited purpose of security—with the financial powers and resources necessary therefor. Such precisely will be the Indian Union, having authority also in the closely linked field of long-range communications. Perhaps the most formidable argument against this doctrine is that such a limited union will not work. If India can show that it does work, she will have rendered an immense service to the whole world. The scale is small enough for experiment without disastrous repercussions, and the shelter of the British Commonwealth can ensure a fair trial despite occasional error.

That is one reason why much more than the future of India herself hangs upon the work of the Indian constitution-making body. There are other reasons besides. A successful solution of the problem of "national homes" within an international Union will have vital lessons for other countries with plural communities which face the problems inherent in replacing imperial tutelage by democratic self-government: for Palestine, for East Africa, for Malaysia, for Indo-China, and for many other parts of the world.

THE CONSTITUENT ASSEMBLY

If and when the Indian Constituent Assembly meets will therefore be watched by a world-wide audience. It will have a great responsibility. One thing is quite clear. It will be abortive at once if it proceeds by methods of open debate and formal vote. That way lies the certainty, not only of deadlock through the use of the communal veto, but also of crystallizing the opposition of smaller minorities on specific points which will remain a perpetual grievance. The methods must be those of negotiation and compromise, to be backed by as nearly as possible a unanimous vote when the whole scheme, or such sections of it as stand on their own, are completed. The task is an essay in tact and statesmanship rather than numerical strengths, debating skill or tactical manœuvre. Those are not, unhappily, conspicuous qualities among India's political leaders.

The mere mechanics of the job—the appointment of officers, the settlement of procedure, the nomination of committees, the framing of provincial and group constitutions, the back-references to party conferences, the negotiations with the Princes, the drafting of many complex clauses, the re-drafting after committee discussion and all the rest of it—mean that at least two long cold-weather sessions will be needed before a complete constitutional structure of provinces, States, groups and Union can emerge in final draft. That calculation excludes abnormal delays, arising from communal or party deadlocks or policies of non-co-operation. When we look upon the political

and communal temper of India, the long habit of opposition and non-co-operation of her political leaders and their inexperience in practical working of a political machine, we may well wonder whether, even if the Constituent Assembly opens in 1946, the gestative period of the new Constitution will not be very much longer.

It is certain that the constitution-making cannot achieve a reasonably swift success without two adjuncts. The first is the existence of a popular Indian Government, guiding the Constituent Assembly in the light of experience daily gained in communal co-operation and practical administration. Ships of state are not built on the open sea. Like other vessels, they are built on land, on the slipway of hard experience in government. The second condition is the aid, encouragement and guidance of British experience. They must be asked for, not pressed upon India, but they must never be stinted or refused.

BRITAIN AND INDIA

To secure the transfer of full power to Indian hands, by constitutional process and without breach of the rule of law, is Britain's first interest in India. All her other interests are subject to that. Until the process has gone farther it is but speculation to comment on the future relations of Britain with India in the two great fields of defence and commerce, which will be regulated by treaty. It is certain that those relations must be based upon the complete independence of India—whether within or beyond the British Commonwealth—and upon willing acceptance by India's leaders in her own interest. Those most concerned, the Service chiefs, the executives of British business interests in India, are undoubtedly proceeding upon that basis. The question whether India will remain in the Commonwealth will answer itself in time. It is a matter for Indians to decide when they have set up their new constitutional order. Nothing said or done in Britain should prejudice the issue or force it to a head.

The British Government are pledged to recommend to Parliament, when the Constituent Assembly has completed its labours, "such action as may be necessary for the cession of sovereignty to the Indian people". They make two provisos which they describe as non-controversial, and which it is remarkable not to find challenged by the Indian parties—such is the progress made in convincing them of British good faith. The first is adequate provision for the protection of minorities, and the other is willingness to sign a treaty to cover matters arising out of the transfer of power. We should be deceiving both ourselves and the intended beneficiaries if we laid too much weight on these provisos. Once sovereignty is transferred, the British Government will have even less power to intervene on behalf of Indian minorities than on behalf of the States. Their protection will depend on the character of the Constitution, the policy of the majority communities, and their own strength and leadership. It is the Constituent Assembly and the electorates rather than His Majesty's Government whom their spokesmen must now convince, and to whom their claims must now be addressed. Our implicit right to veto a Constitution which does not provide for adequate

protection of the minorities would be hard to implement if the major parties and communities were agreed upon it.

As for the treaty, the Mission persisted in the fallacy that a treaty can be negotiated with the Constituent Assembly. A Constituent Assembly has but one mandate, and is without power either to ratify a treaty in legislation or to implement it in action. A treaty can be negotiated only with a Government. In this case, treaties must be made with a dozen Governments, for the "matters arising out of transfer of power" fall some in the provincial, some in the central, field of powers. How, then, is the gap to be bridged between the present régime, when these matters fall under the ultimate authority of the British Government and Parliament, and the setting up of Indian Governments under the new Constitutions, when they can be regulated by treaty? The answer can be found only in agreement with an interim Government, representative of the main parties, upon a *modus vivendi* to cover the transitional period and to form the pattern, pledged in advance, of the subsequent treaties. That is one more reason why the early formation of such an interim Government is imperative if the whole constitutional process is to march forward.

GUERRILLA IN WASHINGTON

A TIME OF TROUBLED SUSPENSE

THE political shape of things in America is still somewhat disconcerting. The growing disparity between prices and wages threatens further industrial strife and unbalance. Americans are disturbed by Russian policy and worried over the prospects for peace. We are, it goes without saying, far less sure of ourselves or of the world than we were a year ago, or even six months ago.

It is probably snatching at straws to say that this post-war disillusionment came quickly, and that nobody is starry-eyed any more, which is no doubt a good thing. President Truman and Secretary Byrnes have become grim, half-bitter men. Now they know that they have very tough jobs on their hands at home and abroad. But they are determined men. And if there are plenty of tendencies to make America more isolationist, there is the general latent realization that isolation is actually impossible. There is the knowledge that the "secret" of the atomic bomb is a secret only until some qualified industrial nation gets into production. There is awareness that we are living on borrowed time, and that we face the challenge of the centuries in doing our part of helping mankind out of its present muddle.

The difficulty is that we do not know quite what to do. We are waiting. It is a moment of troubled suspense, and we are still only half awake. We are waiting for the voice of leadership, and it does not come—not from anywhere. Perhaps the people will realize that they must provide their own leadership, and that the answer for which we wait can only come from within ourselves.

And yet the momentum of American life and society is very great. One reaches the sober and dismal conclusions recorded above, and then one looks about at the evidences of virility and of inner and outer resources. We are having one of the most bountiful harvests of history. We shall probably have by far the largest major grain yields in our experience. Bumper crops will bring food prices down, and help to relieve world famine.

We are actually in an unprecedented peace-time boom. The output of goods is at a record high level. The incomes of individuals are near a record. Farm production and income are remarkably large. Profits are rising for most industries.

And yet people are troubled and uncertain and pessimistic. It is a fact that as long as the cost of living, largely based on food prices, remains ahead of wages—and it will remain high until production has gone far enough ahead in relation to demand to bring them down—there is the constant threat of strikes. But another wave of strikes, just as the country is recuperating from the last succession of industrial disputes, would put organized labor into even greater unpopularity than it brought upon itself the last time. For that reason, it may be that labor will try to stick it out—will not put its political

and public standing to the test if production is actually going to bring prices down in a matter of months.

The major disparity in our economy, however, is not only in the gap between prices and wages. It is a disparity which will be intensified if wages are increased; it is the fact that while worker efficiency is little higher than it was in pre-war days, hourly wage rates are 82 per cent higher. Industry is paying 62·5 per cent more for the same amount of work. Raw materials used by industry cost double the pre-war price—205 per cent of the old level. But finished goods prices are only 39·4 per cent higher. Industry is thus paying twice as much for raw materials, about 80 per cent more for labor, and is getting back only about 40 per cent more for each unit of its product. Big volume production brings down costs somewhat, but not enough.

There is considerable hope, however, that these economic unbalances will be to some degree equalized in coming months. The outlook is in no sense stable, and there are plenty of dangerous potentialities. For example, farm prices which are running 222 per cent compared to pre-war, may break, and the effect of such a drop is often serious on the entire economy.

Nevertheless, the fact remains that we are going along in a tremendous boom, that the standard of living is much higher than ever before, that a vast and increasing amount of finished goods will be consumed and that in one way or another our transition to a peace-time economy is taking place.

Actually, this transition has not produced the unemployment that was expected, nor the idleness of productive capacity. It may be that some of the interruptions of production have even had their valuable side in spreading work over a longer period.

There are those, of course, who expect a recession much sooner than has usually been calculated. They base this conclusion in part upon Federal Reserve Board figures, which indicate that 10 per cent of all "spending units" hold 60 per cent of the liquid assets. By "spending unit" the Board means all persons living in the same dwelling or belonging to the same family. And, by contrast, 50 per cent of all spending units hold only about 3 per cent of liquid assets. These figures might indicate that demand for big consumer goods, like automobiles and refrigerators, may be less than anticipated and that a recession to normal buying may be relatively swift. If so, the Government will have to be ready with the "compensatory spending", to which it is committed, somewhat sooner than expected.

President Truman has just appointed a Council of Economic Advisers who are to go to work under the Employment Act of 1946 to prepare a plan to maintain maximum employment in the face of a threatened collapse. The problem expected when Congress and President Roosevelt first began to talk about "full employment" has been reversed. Instead of an immediate post-war deflation, we have had a boom. Today there is a shortage of skilled workers and materials; purchasing power is great. The present circumstances call for a minimum of governmental spending and a maximum of taxation.

But the Council of Economic Advisers will probably let the current boom take its course, and prepare a blueprint for Congress in its 1947 session to cushion the expected recession when present purchasing power is depleted

and farm prices drop. The problem, no doubt, will be to prevent this recession from becoming a collapse. Full employment in the United States is, of course, of paramount concern to Europeans; and it would be doubly unfortunate if our recession hit at about the time when European recuperation is beginning to make substantial progress—say at some time in 1947. Thus the preparations under the Employment Act of 1946 may well constitute one of our major contributions to world recovery and stability. The personnel of the Council of Economic Advisers is “middle-of-the-road”. Two of its members are not tied to New Deal theories, and the third, a governmental economist, is no doctrinaire. The orientation of the Council is to support the private enterprise system to the fullest degree. At any rate, the United States has the mechanics of a full employment system now in existence. It remains to be seen whether the mechanics can or will work.

PROBABILITY OF A REPUBLICAN CONGRESS

THE American political situation is lamentably confused. Congress stands adjourned, and its members have scattered to their constituencies to fight their re-electoral campaigns. Already some of them have been retired through primary elections. Senator Burton K. Wheeler of Montana, one of the most bitter isolationists in public life, was decisively defeated for renomination. Senator Hendrik Shipstead of Minnesota, another extreme isolationist, was defeated in a campaign where Captain Harold L. Stassen's internationalist principles were a major issue. Former Senator Gerald P. Nye, another bitter isolationist, failed to recapture his seat in North Dakota.

But against these isolationist defeats, there have been a few victories. In general, it is still accurate to conclude that not world policy, but local and personal issues, determine most elections. Even in the reflected victory of Captain Stassen, his internationalism was made an issue on paper, but the defeat of Senator Shipstead was actually due chiefly to his personal shortcomings and the strong popularity of his opponent, Gov. Edward J. Thye.

The chances now are that reaction in favor of the Republicans will run high in the November elections. There is a real likelihood that they will capture the House of Representatives, and a distinct possibility of a majority in the Senate as well. And yet, President Truman is in office for two years more and then, if he wishes, is almost certain to be renominated to succeed himself. So we face—more imminently than ever—two years with the executive and legislative branches of government of different political parties. This situation, unthinkable in countries with the parliamentary form of government, is by no means rare in American political history. It is no less inconvenient.

However, already President Truman has shown his inability to hold in line the members of his own Democratic party. The situation would only be a degree worse with a Republican majority in Congress. Mr. Truman's failure to achieve Congressional support is all the more surprising because he went to the White House straight from a position of popularity in the Senate. He was a member of the club. He started off well. But then he ran

into waves of opposition which reached their height in the session of Congress that has just adjourned. Why?

First, perhaps, because President Truman so unequivocally committed himself to the continuation of Mr. Roosevelt's New Deal program. Reaction had long since set in against the New Deal. The first signs of revolt came as early as 1938, and but for the war with its supervening international issues, would have taken major shape much earlier. Now that the war is over, and domestic matters inevitably become dominantly controversial, the New Deal is extremely vulnerable. In the state of national prosperity which we now enjoy, the nation is not in the mood for economic reform legislation. Moreover, we had in the 'thirties such a substantial advance in reform legislation that the cycle is naturally turning in the other direction. This has been the regular history of American politics and government.

It was when President Truman was seeking to follow most closely the New Deal social and economic tenets that he suffered the most severe defeats at the hands of the present Congress. His adverse majorities were made up of a large part of the Republican representation and a substantial number of his own Democrats.

Most of the President's recommendations in foreign policy were honored by his party and by Congress. They included, of course, the loan to Britain, UNRRA appropriations, Bretton Woods. The civilian control of atomic energy, which the President supported, was approved. The second War Powers Act was extended. He had to accept a compromise on the extension of the draft.

But Mr. Truman was seriously defeated in the method by which price control was continued. He failed to get housing legislation. His full employment bill was greatly watered down. The President's proposals were defeated for unifying the armed services, for universal military training, for higher minimum-wage rates, for a permanent Fair Employment Practices Act seeking to prevent discriminatory practices against racial groups, for compulsory health insurance, for emergency strike control legislation, for extension of social security.

The basic situation is simply that both Republican and Democratic parties are divided internally, on almost the same issues, and to somewhat the same extent. There are substantial liberal and conservative wings in both parties. The division is over the relation of government to private enterprise—to social reform. The parties are likewise divided over the world issue of isolationism. Coalition of conservative Democrats and Republicans, as happened during this Congress, produced an actual conservative majority in American government. On world issues, the majority was in favour of co-operation. After November, the conservative majority is almost certain to be larger, although the isolationist group will probably be smaller.

This situation leaves the voter in a serious dilemma, well described by Roscoe Drummond in *The Christian Science Monitor*. Mr. Drummond writes:

"On the Democratic side, the dilemma of the voter arises from the fact that President Truman, in nearly all his recommendations to Congress, has followed

unswervingly a New Deal course, while in Congress enough Democrats have joined a Republican coalition to defeat the majority of his social and economic measures.

"The question is: If the voters want to support President Truman's program, how can they do it so long as the Democratic Party remains split and thereby impotent to carry out the program on which the President would have been elected?

"On the Republican side, the dilemma of the voter arises from the fact that a majority of the Republican Party in Congress has for the past six years opposed the main lines of domestic policy on which its presidential nominees, Wendell Willkie and Thomas E. Dewey, sought election in 1940 and 1944.

"The question is: So long as the Republican Party remains split between its progressive and conservative wings, what assurance has the voter that the campaign pledges of its presidential candidate will be honored by the party in Congress?"

THE FLUX OF PARTIES

ONCE more, therefore, we face a national election in which national issues will not be determinative. Party discipline will be next to non-existent. The voter who wishes to support President Truman may have only the choice of a Republican and a Democrat who equally oppose the President. Or the reverse might be true.

Rarely have the shortcomings of our system of divided powers and meaninglessness of party labels been so grievously apparent. We have just had a protracted and dangerous guerrilla campaign between President and Congress. We are almost certain to have two more years of the same.

Congressmen, naturally, have assumed that the voters shared their own reaction against the New Deal aspects of President Truman's program. There is much evidence that this estimate of popular feeling may be right. Those of them who have voted against the President's world policies have assumed the voters in their districts supported isolationism. Enough isolationist congressmen have been defeated to make this assumption rash. Therefore the President may be able to retain at least the measure of support on foreign policy he has thus far enjoyed. This support is strengthened by Secretary Byrnes' free use of Senator Vandenberg, the Republican leader, as a colleague, and the appointment of Republican Senator Austin as permanent American representative to the United Nations.

But if President Truman seeks to continue his domestic program, the only way he could obtain congressional support between 1946 and 1948 would be for the voters to defeat enough Democrats who have opposed it by electing Republicans who are willing to favor it! And that is a tall order, because the Republican party is still naturally the party of opposition, looking toward recapture of the White House if possible in 1948. Not many Republicans are willing to support New Deal progressivism although some of them have their own brand.

This melancholy picture could be sketched in even greater—and possibly more confusing—detail. Enough has been said to show the certainty of political upheaval and stultification in the next two years. That is bad news for the world.

The only mitigating feature is the greater degree of support of an agreed world program. That is not likely to be overthrown. The Administration must, therefore, maintain a non-partisan foreign policy. That is certainly the Truman-Byrnes determination.

MR. TRUMAN IN THE DOLDRUMS

It is important to consider why Mr. Truman, who started so surprisingly well, has fallen to this low estate in domestic politics. The best answer is that he has been the victim of inevitable post-war reaction. Mr. Truman is in precisely the position Anthony Eden would be in if he had succeeded Mr. Churchill and the Labour party had not come into power. Except that Mr. Eden would have had the advantage of the parliamentary system, where the immense gulfs and party irresponsibilities of the separation-of-powers system do not exist. It is, perhaps, remarkable that Mr. Truman has survived as well as he has done.

The nation has a basic liking for Mr. Truman. Ordinary men and women everywhere recognize that he is a man of goodwill. And on balance, Mr. Truman's policies assay rather well. The social reform measures he has sought have been, in the main, anticipations of problems we must almost certainly face. There is nothing doctrinaire about his New Dealism. He is not a man of great stature, but he is an earnest and honest man, and a fearless man. Mr. Truman has made more than his share of mistakes, but the evidence is that he has sought to profit from them. In many respects, of course, he can be no stronger than the men in his team. Thus it is unfortunate that some of his appointments have been weak. But these have been improving.

The early, easy days of Mr. Truman's tenure have been succeeded by hard political times, and his occasional flippancy has been replaced by sobriety. He is learning the hard way. He has had to replace many friendly weaklings in his entourage with stronger men. He has lost some of his affectations—in the early days, most of his "off-the-record" speeches emphasized his disinclination to be President. Nevertheless, Mr. Truman remains a man without a great voice. His leadership is unavoidably impersonal. He may not rock the boat, but it is not evident that he is giving it much forward motion. And the people still wander in uncertainty, waiting for the voice and not yet furnishing it themselves.

Mr. Byrnes is as good a foreign minister as we could expect to have. He has learned a great deal in the past year, and is determined with all the patience and political acumen he possesses—which is not a little—to do his part in writing a workable peace. Mr. Byrnes has been subjected—like Ernest Bevin—to the full brunt of Russian stone-walling tactics. He still hopes to convince the Russians of two things: of his own goodwill, and of the need of reasonableness in world affairs. American opinion fully supports Mr. Byrnes' efforts. The nation has been increasingly disturbed at the difficulties of co-operating with the Soviet Union. And yet a great basic stratum of national opinion still wishes this co-operation, and does not join with the more violent voices raised in behalf of coercion. Sane public

opinion knows that coercion is a relative matter, and that the United States cannot force solutions in Poland or the Balkans.

Middle-road Americans are willing to accept the need for great-power unity, but they believe that unity must come on the basis of mutual concessions. They feel that the major share of concessions have come from the side of the democracies, thus far.

Alongside this sensible opinion there is a group—and it is much more than a fringe—which is violently anti-Soviet. Some powerful newspapers, one powerful church, and numerous politicians and publicists are in this group. Yet it is by no means dominant. Nor is it likely to become so, if the Soviet Union itself is prepared to follow policies of reasonable compromise. The ordinary American has great respect for Russia, as an entity in the world, and he wants to co-operate. He thinks there is something in common between Russia today and the United States during the last fifty years. He believes no effort should be spared to do just what Mr. Byrnes is seeking: to establish this fundamental good faith to the Russians.

American policy in China has run into profound discouragement. Madame Sun Yat-sen's injunction to withdraw our troops has struck a very responsive chord here. There is nothing most Americans would prefer to do more than to withdraw our troops from China. Yet it is recognized that withdrawal would give the Soviet Union a free hand. Nevertheless, we cannot long continue to give our present support to the Kuomintang if its conduct remains on the present levels of brutality and terrorism. Washington is almost desperate over Chinese policy. To withdraw means to abandon China to civil war and probably eventually to Communism. To stay means to ally American policy in a Chinese civil war with a faction which daily degenerates. To stay seems intolerable; to go means failure of an urgent experiment in the stability of Asia. It is a tragic dilemma.

THE DORMANT STRENGTH OF AMERICA

THUS Americans worry. This is the summer of our discontent. And yet more Americans are holiday-making than ever before, while our industrial output soars and bumper crops ripen and are harvested. Fundamentally, there is a great deal of stability in the country—stability to share with the rest of the world. There is strength here. The sort of strength that was beaten into unity under the fires of war. We could again become the integrated, forceful, purposeful entity which we were in 1943 and 1944. We could become that kind of force in the world after we realize that the war has not been won and that today's challenges are quite as grave as those of 1941. But our awakening has not yet come. This was the conclusion three months ago; it is the conclusion today.

United States of America,
August 1946.

A SERVICE IN TRANSITION

ADMINISTRATORS FOR A CHANGING EMPIRE

THE vocabulary of the English language is proverbially rich; but there are some words which are notably overworked, and one of the most overworked is the word "service". The expression "the Colonial Service" has meant different things at different times, and even now is used with more than one meaning, so that those who have not particularly studied the subject are apt to be misled.

A century and more ago, when the expression came into official use, it signified a body of governors and officials appointed by the Crown to discharge the functions of government in its oversea possessions. As time went on, the larger and more important of the "Colonies" evolved into self-governing Dominions. Their public services became the servants and agents of the local governments, and could no longer in any sense be regarded as parts of a Colonial Service. There remained the public services of the smaller of the old colonies, together with those of the new colonies, protectorates and, finally, mandated territories in Africa and elsewhere which came under the jurisdiction of the British Crown at various times. In the organization of these latter public services two somewhat inconsistent tendencies may be discerned.

With the evolution of the Dominions as the obvious signpost, no serious alternative has ever been put forward to the idea that the eventual destiny of the colonies (using this term to cover the variously described territories dealt with by the Colonial Office) is to achieve some form of self-government within the framework of the British Commonwealth. Opinions may differ as to the rate of progress or as to the exact form of constitution to be aimed at, but as to the ultimate objective there is no doubt. We can see the process to-day in its penultimate stage in the new constitution of Ceylon. The natural corollary of this idea is that, however it is made up, and from whatever source it may from time to time be recruited, the public service of each colony should be something belonging to that colony, the servant and agent of the local government, paid according to local standards and financial resources, and providing within itself a career for those who join it.

Although practice did not wholly conform to theory, this was in fact the accepted theory up to 1928. It was then recognized that on this theory the expression "the Colonial Service" was a misnomer. The expression was therefore officially abolished and the expression "the Colonial Services" substituted.

But, as sometimes happens in government departments, the Colonial Office was engaged in registering the arrival of the pendulum at one end of its track while the pendulum itself was well on the way to the other end. As observed above, practice already did not wholly correspond to theory. In practice, the Colonial Office recruited candidates for the colonies in

general, and maintained a more than formal control over appointments to the higher posts. It was the accepted principle that vacancies in such posts were reported to the Secretary of State, who made his selection from the whole field of the colonial public services. Thus there was a good deal of interchange, though it was carried out in a rather "British" and informal fashion and no officer could count on transfer as more than a problematical possibility.

The report of Sir Warren Fisher's Committee in 1930 showed that this divorce between theory and practice was having a bad effect on recruitment, especially where the smaller colonies and the specialized branches of the services were concerned. On the recommendation of the Committee the existence of a single Colonial Service was formally recognized, and recruits were promised the prospect of consideration for advancement within the service as a whole, without limitation to any one colony or area. As will have been gathered from the preceding paragraph, this did not involve much change in practice, but it involved a considerable change in theory. It also implied the putting of some pressure on the Colonial Governments to accept certain common standards of remuneration and conditions in order to facilitate interchange of staffs.

The difficulty about this "unification" scheme was that, unless carefully handled, it might set up a division (such had not existed in the past) between officers recruited or transferred by the Colonial Office to the service of a colony and those—often working side by side with them on the same job—who were inhabitants of the colony itself. The latter might be supposed to prefer service in their home country to service in other colonies, and apart from personal preference might in any case be expected to make their best contribution to the public good by serving and leading their own community. The idea of unification, therefore, would naturally be of little interest or value to them. Moreover, even if they were prepared to accept the liability to transfer which is the essence of "unification", the application to them of standards of pay and conditions designed to fit officers whose homes are not in the colonies themselves might well be unsuitable and needlessly expensive, and might tend to put their incomes out of scale with the general income level of the community where, as is often the case, this differs markedly from that of the countries (the United Kingdom and the Dominions) from which the externally recruited officers are normally drawn.

On the other hand, any suggestion that membership of the unified service confers a distinctive "cachet" must clearly and legitimately lead to pressure from the locally recruited officers to be recognized as members of that service, and to discontent and a sense of injustice if such recognition is denied.

NEW PLANS FOR RECRUITMENT AND TRAINING

THE plans recently issued by the Colonial Office for the organization of the Colonial Service (Col. No. 197) seek to provide a way of reconciling these divergent tendencies. The functional branches of the Colonial Service (Administrative, Medical, Educational, Agricultural, &c.) will in future comprise in their membership all officers of the colonial public services who possess

the appropriate qualifications. So far as membership confers a "cachet" it will be conferred on locally and externally recruited officers alike. Liability to transfer will be a bargain between the Secretary of State and the officer whom he selects, and will not be inherent in membership of the service. The Colonial Governments (which pay the officers and have the principal responsibility in fixing salaries and conditions of service) are recommended to adjust their salary schemes on the basis of equal pay for a given job, to which should be added expatriation pay for officers whose homes are not in the colonies.

Much thought has been given to the best way of using the provision made under the Colonial Development and Welfare Acts to improve the efficiency of the public services. At one time the idea of setting up a special fund to equalize salaries and conditions in the poorer and richer colonies was canvassed. Views have been expressed in favour of placing on United Kingdom funds the whole or part of the cost of salaries, passages, &c., for certain classes of civil servants.

These ideas have not in the final result been adopted. Instead, it has been decided to concentrate the use of the money (limited as it is both in amount and in the time for which it is available) at a decisive point, namely, the training of candidates for the service. £1,000,000 is allotted to the provision of scholarships to enable potential candidates from the colonies themselves to obtain the necessary academic or professional equipment for entry into the higher grades, and thus to promote the natural and healthy growth of an effective tradition and practice of public service in the colonial peoples, and to give them a satisfactory outlet for their desire to serve. £1,500,000 is allotted to assist in financing a broad and comprehensive scheme for giving selected candidates (whatever their origin), who have already obtained the basic qualifications, further training in the special background of work in the colonies and in the special techniques required in bringing their knowledge and experience to bear on colonial problems. The details of this training scheme are discussed in a separate report (Col. No. 198) which was published along with the main paper on organization, and in which the co-operation of Oxford, Cambridge and London Universities was freely sought and as freely given.

The Colonial Service is the last of all services to be amenable to any attempt to confine it to a stereotyped pattern. It must at any time be adapted to a great variety of different local conditions and it must always be moving with the times. It is a service in which there are unlimited opportunities both for the colonial peoples themselves and for the best type of men and women from Great Britain and the Dominions, who can do so much to co-operate with the colonial peoples in improving their economic prosperity and social well-being.

INDIA

RESULTS OF THE CABINET MISSION

PROBABLY nowhere else in the world do the chief political parties combine such rigidity of doctrine with so much instability of performance as in India, where these qualities have been depressingly in evidence since the departure of the Cabinet Mission on June 29. For at least one brief moment the negotiations which the Secretary of State and his two colleagues, Sir Stafford Cripps and Mr. A. V. Alexander, carried on for three and a half months were within an ace of complete success, just as there was more than one occasion on which they came perilously near to total failure. That by the end of June more of success than failure could apparently be written to the credit of the Mission was regarded by the Indian public at large as no small achievement. But subsequent events require that the results of the Mission shall be subjected to a much closer scrutiny than heretofore; for practically every undertaking on the part of the party leaders, apparently firm and unqualified at the time it was given, has since been so modified as to make it doubtful whether the language of acceptance employed by the Indian leaders while the Mission was here, and that which they have used since, mean even approximately the same thing. Not all the fault lies on the Indian side; the Cabinet Plan of May 16 contained more than one avoidable and not unimportant ambiguity. Subsequent ministerial attempts at explanation more often than not served to cloud rather than to clarify the original error. The Indian leaders were quick to take advantage of a situation in which the spotlight of criticism could be turned away from their own chronic inability to agree in the direction of defects in the drafting of the Plan. Hence the controversies which were so fruitfully exploited over such subjects as Provincial Grouping, the use of the European vote for the Constituent Assembly and the misunderstanding between the Mission and the Viceroy on the one hand, and the Moslems on the other, as to the precise meaning of paragraph 8 of Lord Wavell's invitation of June 16 to participate in an Interim Government. Had the Mission and the Viceroy succeeded in forming an Interim Government from the leaders of the two principal parties the outlook for the Constituent Assembly would undoubtedly be a good deal more promising than it appears at the time of writing. But the announcement on June 26 that the project had been temporarily abandoned, at least until after the elections for the Constituent Assembly, and that in the meantime a temporary caretaker administration, consisting of a Viceroy's Executive Council composed of officials, was to be set up, made it abundantly clear that much of the hard core of the problem which the Mission set out to resolve last March still remains.

Before leaving the country at the end of June the Ministers wisely made no attempt to capitalize their achievements in any kind of grandiloquent pronouncement, a modest valedictory communiqué declaring that the

Cabinet Mission and the Viceroy were glad that "constitution making can now proceed with the consent of the two major parties and of the States. They welcome the statement made to them by the leaders of the Congress and the Moslem League that it is their intention to try and work in the Constituent Assembly so as to make it a speedy and effective means of devising the new constitutional arrangements under which India can achieve her independence." Regret was expressed that it had not proved possible to form an Interim Coalition Government, and a promise was given that efforts to this end would be renewed in accordance with the statement of June 16, the hotly disputed paragraph 8 of which is discussed below. Within a few hours of the Cabinet Mission's final pronouncement Maulana Abul Kalam Azad, the retiring Congress President, issued what was described as a review of the previous three months' negotiations in which he declared that, throughout the discussions with the Viceroy and the Mission, the Congress Working Committee had been guided by one governing principle, namely, the achievement of Indian independence and the solution of all outstanding problems by peaceful methods. "Keeping in mind the method chosen", said the Maulana, "and the peculiar nature of our problems, dispassionate observers will be forced to admit that though all our hopes have not been fulfilled, the results mark a decisive step forward towards the attainment of our goal." Read in conjunction with the Cabinet statement, the Congress President's review looked like an invitation to everybody to be happy. But not all observers are dispassionate, and few Indian political leaders are prepared to leave the taking of their fences until they come to them.

INTERIM ADMINISTRATION

In a rather wordy resolution accepting the long-term proposals for the shaping of India's freedom through a Constituent Assembly, the Congress Working Committee entered more than one important *caveat*, but thought that, taking the proposals as a whole, there was scope for enlarging and strengthening the Central authority and for ensuring the right of a province to act according to its choice in regard to grouping. Therefore the Working Committee decided that "the Congress should join the proposed Constituent Assembly with a view to framing the constitution of a free, united and democratic India". The decision not to participate in an Interim Government was more forthright. If Congress was to join such a government, the latter must be given such power as would enable it to function in fact, if not in law, as an independent government "leading to full independence to come". In such a government Congressmen could only hold themselves responsible to the people and not to any external authority. More important, the Working Committee could "never give up the national character of the Congress or accept an artificial and unjust parity or agree to the veto of a communal group", which, in a sentence, is the very essence of the dispute between Congress and the Moslem League. Whether or not the League, which had previously intimated its willingness to join an Interim National Government, assessed the advantages of such a course in terms of a communal veto or an unjust parity, Mr. Jinnah's indignation at the decision to suspend the project

is understandable enough. The announcement of June 16 declared that it was "the intention of the Viceroy to proceed with the formation of an Interim Government which will be as representative as possible of those willing to accept the statement of May 16", i.e. the long-term plan for the Constituent Assembly. To Mr. Jinnah's angry protest that the Mission and the Viceroy had gone back on their pledged word, the latter replied that he was clearly bound to make an attempt to form a Government representative of both parties, since both had accepted the statement of May 16.

The affair furnished a most depressing epilogue to thirteen weeks of close negotiation in which, by common consent, the Viceroy and the Ministers had by scrupulous care and fairness avoided any kind of major misunderstanding. In this dispute between the Viceroy and Mr. Jinnah Indian opinion has not been prepared to concede that there might be room for an honest difference of opinion. Congress has taken no pains to conceal its satisfaction at what it regards as a snub for Mr. Jinnah and League ambitions; Moslem opinion is correspondingly embittered. The neutral view, in the few places where it finds expression, is that, whatever the Mission's intentions were, on the wording of the Viceroy's statement of June 16 the balance of logic lies with Mr. Jinnah. The probability is that had the statement been a little more cautiously worded an unfortunate situation would not have arisen. As a matter of practical politics it was clearly impossible for the Viceroy to form an Interim National Government on the promise of Moslem League support alone. The cry would have gone up, not only in India, but everywhere else (including the United States of America) where the Indian question is a live issue, that the British Government had allied itself with the Moslems for the purpose of suppressing the Hindus. But it is difficult to resist the conclusion that Mr. Jinnah's protest arose out of a conjunction of circumstances which might have been foreseen and provided against by the use of a little less definite language in the announcement of June 16, just as a little more foresight might have obviated the unenviable predicament in which the franchise provisions of the long-term plan for the Constituent Assembly subsequently placed the British commercial community.

THE NEW CONGRESS PRESIDENT

THE All-India Congress Committee began a two-day session in Bombay on July 6, the first business of the Committee being to elect Pandit Jawaharlal Nehru President of the Indian National Congress in place of Maulana Abul Kalam Azad who had occupied the office for a period of six years—probably the stormiest in its whole history. Vacating the chair, the Maulana told the Committee that when he assumed the office of President they were struggling for their freedom, but now on laying down the reins of office they had reached the threshold of their independence and only one further step was required for them to attain their final goal. The change of President is important not merely because of the difference in the personalities of the two men, which is considerable, but because Pandit Jawaharlal Nehru at 57 years of age is still regarded as the leader of young India, and undoubtedly possesses more international contacts than any other front-rank Indian politician. Though his

admiration for Soviet Russia has suffered some decline in recent years, he remains a professing Socialist, whose championship of collectivist theories will be a factor of some importance in the India of the future.

A fifteen-word resolution inviting the All-India Congress Committee to ratify the Working Committee's resolution of June 26 was proposed by the retiring President, Maulana Abul Kalam Azad. Mr. Gandhi spoke in support, an hour's exhortation to the Committee being prefaced by the usual apologia that he was not even a four-anna, or primary, member of Congress. None the less he called upon Congressmen to give a fair trial to the Constituent Assembly scheme and to make the best of it. There were, he said, defects in the scheme. The proposed Constituent Assembly was not a free assembly. It was a British-sponsored assembly, but the British declared they had put it forward without any reservation, to enable Indians to frame their own constitution for a free and independent India. The published reports of the proceedings are not entirely clear as to the sense in which Mr. Gandhi used the word "reservation"; for the Cabinet scheme was put forward on the basis of certain definite stipulations, which have since been confirmed by both Lord Pethick-Lawrence and Sir Stafford Cripps in Parliament. More ominously, Mr. Gandhi declared "we can fight the Constituent Assembly itself if we find the defects are unremediable", but on the whole the firm trend of his advice was in favour of acceptance of the long-term constitution-making provisions of the Plan. When the resolution was put to the vote 204 members of the All-India Congress Committee voted in favour of it and 51 against, the opposition being led by Mr. Jaiprakash Narain, a prominent figure in the 1942 uprising and leader of the Congress Socialist Party. Mr. Narain was assisted by his lieutenant Mr. Achut Patwardhan. Both took the line that the Cabinet Mission's endeavours had been almost wholly directed towards securing an accommodation between the Congress and the Moslem League, which organization they described as the friend and ally of the British, who merely sought, through such an arrangement, to perpetuate their own position in India. The Cabinet scheme, according to Mr. Patwardhan, has made sure that in the future there will be no lack of internal quarrels, from which the stranger within the gate will inevitably profit. The importance of this point of view is not so much its gross misrepresentation of British intentions, as that it provides a plausible and convenient bridgehead to the methods of direct action for those who desire to pursue them. Their numbers may well prove greater than some people are inclined to put them at the present moment.

NEHRU ON MINORITIES

ON July 10 Pandit Jawaharlal Nehru held a press conference, which was notable for the entirely new slant which the incoming Congress President gave to the All-India Congress Committee's acceptance of the Cabinet Plan three days earlier. He declared, quite rightly, that there were only two factors which could limit the sovereignty of the Constituent Assembly, viz. the provisions relating to the minorities and the Indo-British Treaty. But, he added, the minorities question was an Indian problem and the British could

have no say in the matter, a proposition which hardly squares with the limitation of the authority of the Constituent Assembly, which he previously recognized, or with the general intention of the Cabinet Ministers, who have repeatedly made it clear that His Majesty's Government will require to be satisfied that adequate provision has been made for the minorities before recommending to Parliament the final transfer of power from the Crown to a sovereign and independent Indian legislature. The Cabinet Mission statement of May 25, and the Secretary of State's speech in the House of Lords on July 18, make this abundantly clear; and Pandit Jawaharlal Nehru is more aware than most people that, to the extent indicated above, the problem of the minorities is not an exclusively Indian concern.

At the same press conference Pandit Nehru said that if there was to be a peaceful change-over in India it would be bound to result in some kind of treaty with Britain; and he added, with the touchiness which now characterizes so many of his pronouncements: "if they treat us as equals and come to terms, there will be a treaty, but if there is the slightest attempt at imposition we shall have no treaty". Any one of the many things, therefore, that may fail to measure up to the Nehru conception of equality is likely to imperil the treaty, but we may derive some comfort from the probability that, by the time the treaty comes to be negotiated, Pandit Nehru will have had enough first-hand experience of the business of government to be able to discriminate between pure abstractions and the practical advantages of a deal. But throughout the whole of this interview with the press the Congress President gave a most unfortunate impression of irresponsibility, which does not augur well for future constitution making. "We have agreed to go into the Constituent Assembly, and we have agreed to nothing else", said the Pandit, adding, "what we do there, we are entirely and absolutely free to determine . . . we have committed ourselves in no single matter to any body."

Referring to provincial grouping, the lynch-pin of the whole Cabinet Plan, Nehru gave it as his opinion that there will be no grouping. No wonder the Moslem League has taken alarm, and that in the recent discussion in the House of Commons Sir Stafford Cripps found it necessary to tell the Indian parties that whilst the members of the Constituent Assembly would be at full liberty to advance their views on what should or should not be the basis of the future constitution, and would have discretion as to the conduct of its business, "having regard to the statement of May 16th, and the Constituent Assembly being elected in accordance with that statement, they cannot of course go outside the terms of what has been agreed to, as that would not be fair to the other parties who have come in". It remains to be seen whether Sir Stafford's words will have the effect of bringing Congress back to recognition of the terms upon which the Constituent Assembly will meet.

MOSLEM LEAGUE COUNCIL

MEANWHILE, the Council of the Moslem League has been summoned to Bombay on July 28 and 29, with the League Working Committee meeting one day earlier. The League Council consists of 475 members, and the general secretary of the party, Nawabzada Liaqat Ali Khan, announcing the Bombay

meeting, referred to serious developments which had taken place since the League acceptance of the Cabinet Plan on June 6, notably "the breaking of solemn pledges by the Cabinet Mission and the Viceroy over the Interim Government" and the action of Congress in now accepting the long-term plan only conditionally and with reservation. The general feeling of the rank and file of the League is that, though they accepted the Cabinet Mission's Plan as outlined in the statements of May 16 and 25, the unmistakable meaning of the recent All-India Congress Committee meeting is that Congress has merely agreed to enter the Constituent Assembly to work out a constitution of its own, quite irrespective of the Cabinet Mission's recommendations. They are not prepared to regard this as acceptance of Britain's long-term plan for India, whatever Cabinet Ministers may chose to call it in Parliament.

THE ELECTIONS

At the time of writing the elections to the Constituent Assembly are taking place, the Assembly being expected to hold its first session in New Delhi in September. The results of the elections are working out according to the Plan, as indeed they must by the exercise by members of the Provincial Assemblies of a single non-transferable vote for candidates mainly representative of only two classes of constituency, viz. Moslem and General. It is none the less a matter of some satisfaction that both the principal parties appear to have made some concession to the candidates of the minorities. Dr. Ambedkar, leader of the Federation of Scheduled Castes on a combination of Scheduled Caste and Moslem League votes in the Bengal Assembly, has secured a seat in Group C (Bengal and Assam) of the Constituent Assembly, as has the Anglo-Indian leader, Mr. Frank Anthony, who received the support of representatives of his own community, reinforced by the votes of Bengal Congress M.L.A.s. Neither of these, or other cases which might be cited, are the result of pure altruism, but they do illustrate the flexibility of the Cabinet Plan. The decision of the European non-official community not to exercise the franchise to which it was entitled under the scheme, and which would have given the community 6 or 7 seats out of a total of 385 (78 Muslim, 4 Sikhs, 210 General and 93 Indian States), was observed everywhere except in the United Provinces Assembly, where three European votes are understood to have been cast in favour of an Indian candidate. The participation of the non-official European element in the Constituent Assembly was obviously inherent in any scheme which employed the Provincial Assemblies as its electoral machine. On the other hand, the presence of six Europeans in Group C, which would have been the result if the European party in the Bengal and Assam Assemblies had used their vote, was clearly incompatible with the Cabinet Mission's provision that the Constituent Assembly should contain approximately one representative per million of the population and with His Majesty's Government's declared intention that the Constitution of a free and independent India should be framed by Indians for Indians.

Those were the objections in principle; there were others of a tactical character. In addition to being entirely disproportionate to the numbers of the community (but possibly not to its interests), the half-dozen seats which

would have gone to it in Bengal and Assam might well have been decisive for constitution-making in Group C. Congress raised the matter with the Cabinet Mission as a major issue; but the Mission, whether by accident or design, having put the Europeans into the scheme, were not apparently prepared either to assist them out of it or to direct them to remain in it. The Moslem interest in six European votes was that they immobilized six Congress votes in Group C, where the margin between the two principal parties may well become even narrower if the business of constitution-making is unduly prolonged.

In the circumstances the European non-official representatives took the only possible course by themselves withdrawing from the elections to the Constituent Assembly. Inevitably, their action caused offence to one or other of the parties. This time it was the Moslems who had a grievance, though it was one which could not be indiscriminately ventilated. No party relying on its nationalism (the Moslem League claims to be just as nationalist as Congress) would dare cry too loud or too long because a handful of non-Indians had decided to remove themselves from the business of constitution-making. Whatever resentment the League may have felt on this point has been kept strictly under control, the argument being that it accepted the scheme as it stood and in its entirety on May 16, and not with bits chopped off or substituted at will.

The first big obstacle the Constituent Assembly will have to overcome relates to the Grouping. Unless some fresh consideration emerges, the League would appear to be on firm ground in its assumption that the intention of the Cabinet Plan is that the grouping of Provinces is compulsory. Both the Viceroy and the Ministers have endeavoured to make the position clear, but Congress obstinately continues to maintain that the Provinces have the right to opt out of their Sections at the very beginning. It is an issue on which the Constituent Assembly might come to grief quite early in its career; on the other hand, if it surmounts it, success would be brought sensibly nearer, though not necessarily assured.

India,
July 1946

GREAT BRITAIN

LABOUR'S FIRST YEAR

THE Socialist Government have completed their first year in office with the power to put their policies into effect. What are the results? The jubilation of last July has naturally waned, although enough remained to provide a sparkling setting for the party conference in June, where Ministers exhibited pride and prowess before an enthusiastic audience eager to cheer, and Mr. Attlee parted the curtains a little to afford a glimpse of bright but vague vistas of congenial activity in prospect.

The Government's stock is still high in the country generally, and almost to the end of the parliamentary session it would have been said that a poll would have produced much the same result as the General Election. A series of three by-elections falling close together, however, disclosed the necessity of a more cautious assessment. In two of them, occurring in Labour strongholds, falls in the Government vote of 5,000 and 3,000 could not be accepted as the normal drop to be expected at by-elections, since in each case the Conservative vote remained steady. The third, at Bexley, though the first in sequence, gave the Government a sharp shock. They lost 9,912 votes, and held the seat only by 1,851. The Labour poll fell almost 5,000 from the General Election figure, and the Conservative received nearly 5,000 more than a year ago, when there was a Liberal vote of about that number. These figures, in a constituency typical of the floating vote that turned the Labour victory into a landslide in 1945, convey a plain warning to the Government that they must pay greater attention to practical needs and traditional liberties than their concentration on party doctrine operated by restrictive controls is permitting. Making allowance for the reaction against bread rationing and the effect of higher railway fares in a London dormitory suburb, the turnover of votes is an indication that the support that the middle classes gave to the Labour party was not unqualified and can be retained only by positive effort.

PROGRESS OF NATIONALIZATION

THE first Act of industrial nationalization, bringing the coal-mining industry under public control, is now law. So is the borrowing control Act, complementary to the nationalization of the Bank of England, ensuring to the Government direction of finance and investment. Public control of civil aviation has been achieved; and of the social service measures inherited from the Coalition, the national insurance Act and its associated measure concerned with industrial injuries have been completed. Increased old-age pensions, benefiting over 4,000,000 persons, are to be paid in October; for the contributory pensioner at 65, and the woman insured in her own right at 60, the amount will be increased from 10s. to 26s. a week, and other classes will also benefit. The increases involve a net additional cost of about £80,000,000 a

year. Payments under the Family Allowances Act, giving 5s. a week for each child after the first in a family, began in August. These are solid achievements, and afford just reason for pride. A year of freedom from labour troubles, except for minor outbreaks of local or post-war irritation, is also to be accounted to the Government's credit. With exports bounding beyond expectations, and the long-delayed American Loan at last promising some little easement of austerity, the record ought to have meant that the Labour members could leave Westminster for the summer recess with happy feelings of satisfaction after an arduous twelve months. Such delight has been denied them.

As the session approached its close, goods and services under Government direction increased in cost : coal, railway fares, utility clothing, all took deeper toll of every pocket, and other increases are imminent. The cost-of-living figure, which had been fairly steady at 103 for most of the year, rose to 105, and the Government, yielding to persistent pressure, reconstituted the advisory committee to scrutinize the index. The validity of an index based on calculations made in 1918 has often been challenged since. A revision in 1938 never became operative because of the war, and it is doubtful now whether the Government would introduce a new basis while the unsettlement of transition continues and foodstuffs remain so heavily subsidized.

BREAD RATIONING

THE last and severest blow has been the imposition of bread rationing. It is inconceivable that any Government would introduce this except under the direst necessity. More than once during the war, when the Atlantic pipeline was in jeopardy, such a scheme was contemplated and put aside as impracticable. Its introduction a year after VJ-day provoked immediate and vigorous protest. The supreme desire of every British family is for release or at any rate relief from the seven-years thralldom of the ration book, and their complaints were loud. To the shopkeepers (and roundsmen) it meant another heap of coupons and forms, and the master bakers carried their opposition to lengths which must have compelled any Government to threaten them with legal sanctions. To Mr. Strachey, who had the unhappy task of sounding the preliminary warning in his first speech as Minister of Food, the subsequent justification of its operation was probably the stiffest hurdle any new Minister has had to face. As Under-Secretary for Air, where he was on familiar ground, he was an outstanding success among the junior Ministers, and in his new post he showed a resolute front to formidable criticism. But he could not be wholly convincing; the Government's inexplicable reluctance to disclose the stock figures save under the strongest pressure from the Opposition left him vulnerable; and whatever effect a broadcast he made to the country might have had was destroyed by an exasperating sentence that we were eating only 7 per cent less than before the war.

The justification he gave for rationing was that stocks in hand and in transit were too low to ensure distribution if any one of three assumptions failed—that American supplies would continue without interruption, that

the Canadian harvest would be good and available in time, and that our own crops would suffer no damage before they were garnered. To gamble on any of these in the critical ten weeks before the harvest would be criminal; therefore rationing was to be adopted to permit reliable working on smaller margins—a safety measure. All this was set in the sombre background of a shortage in world production, famine in the Far East and sub-standard rations in large areas of western Europe. But the heavy emphasis placed on American acceptance of responsibility for supplying Europe, which had now drained Britain dry, left the impression that the necessity of convincing America that the British cupboard was really bare had at least equal importance to the need for safeguarding home distribution; and the question of Russian participation in supplying the western Zone remained unanswered. Indignant denials of any intention to reduce the allowances per head did not dispel the suspicion that the power to do so could be the only logical reason for this extreme method of saving only 5 to 10 per cent of wheat. Some modification of the original—and ample—scales reduced this potential saving to 7 per cent, on estimates which the Minister described as conservative, and the belief became firmer that the case was hardly so strong as so severe an imposition in peace time ought to require, and that greater foresight might have avoided it and closer co-operation with the milling and catering industries for voluntary economies could have produced equivalent saving.

Much more serious in their long-term effect were the drastic reductions in winter rations for livestock. These made inevitable a serious fall in meat, milk and egg production, and also threatened damage to farming economy which would take years to repair. The Minister of Agriculture himself described them as "tragic and almost disastrous", and admitted that the position would be worse than in the hardest days of the war. Again the justification was that the scarcity of wheat which lay at the root of these cuts was due to world conditions from which there was no escape. The reductions imposed meant severe cuts of roughly 40 per cent in the rations for dairy herds, something like 50 to 60 per cent for commercial pigs and poultry—and in some cases 100 per cent; and domestic pigs and poultry also suffered. It was particularly unfortunate that this grave setback arrested in its first stage the return of British agriculture to a system suited to normal conditions after its rigorous direction to war-time needs.

ECONOMICS OF TRANSITION

THERE have been other achievements and other troubles for the Government. Inflation has been held in check. Mr. Dalton's exuberant declaration to the party conference that the fear of inflation had "largely passed away" has since been qualified in the colder atmosphere of Westminster by the admission of his Under-Secretary that the danger still needed watching with the greatest care. Taxation reliefs amounting to over £500,000,000 have been distributed over almost the whole field, from the abolition of E.P.T. at the end of the year as a boon to industry to remissions of Purchase Tax amounting to £20,000,000 or so on domestic articles. The strong bias which the Chancellor of the Exchequer gave to direct reliefs on Income Tax is

in true accord with the country's desire. Demobilization has proceeded smoothly, the estimated number to be discharged from the three Services in the last quarter of the year is 311,300, bringing the cumulative total since June 1945 to more than 4,250,000, and the turnover to peace-time production is making steady strides. There has been a steady rise in employment, both for home and for export, and the sharp and continuous expansion in exports is very heartening. At the same time imports have also been increasing, and there is a cautionary note in the expansion of the visible adverse balance in the second quarter of the year.

Continuing expansion of production rests on coal, and the prospects in this respect are depressing. The outlook for winter is grim. Output shows no sign of improving, and Mr. Shinwell's estimate of total supplies for the current coal year of about 194,000,000 tons discloses a deficit of about 10,000,000 tons. Inland consumption at 188,000,000 tons is the highest on record, and there is virtually none for export. Stocks available at the beginning of winter will be below the danger line, and we shall only scrape through by a combination of good luck and the complete exhaustion of already attenuated reserves. Labour scarcity in the industry persists, and the attainment of the long-cherished ambition of nationalization has not provided the inducement to greater output that was claimed for it. Whether the further prospect of a five-day week, to which the Minister committed the National Coal Board before it assumed control, will be more effective remains to be seen.

The Government's other chief worry at home is housing, in which progress creeps slowly along far behind the need. The record presented in the last debate in Parliament shows that, in round figures, just over 13,000 permanent houses have been completed, nearly 2,000 war-damaged houses rebuilt, and over 35,000 temporary houses occupied. The conversion of big houses to flats and the use of emergency huts in addition have provided accommodation for a total of well over 73,000 family units. At the same period there were 109,000 permanent houses and 26,000 temporary houses under construction, and 8,000 damaged houses being repaired—a total sufficient to house nearly 163,000 families. The Minister of Health admits that to achieve the completion of 200,000 by the end of the year would be "almost miraculous"—a statement which may be compared with the Coalition's target of 220,000 permanent and 200,000 temporary houses completed, in addition to war-damage repairs, within the first two years after the end of the European war, when the concentration of effort against Japan was still expected.

AN INTOLERANT PARTY

UNDER the strain of rising criticism against bread rationing and other matters a latent weakness of the Labour party came to the surface. As a party they are impatient of criticism; to them, in much greater degree than to any others, the "other side" cannot be right on any issue. This attitude springs in part from the early years when extremes of language and action were the recognized methods of securing attention to the hardships of that section of the

community they particularly championed, and in part from habits developed in party conferences where repetitive argument is rigorously excluded to give scope for wider discussion. This formula may be suited to congested agenda papers, but it is inappropriate to parliamentary debate, where the clash of opposing views produces something approaching a common measure of assent and the weight of opinion for or against a proposed course can have as much influence in shaping decision as the force with which it is expressed. In the earlier part of the year this weakness was veiled by an arrogance born of the novel sense of power and the headstrong confidence of a young party. While some manifestations of this have been a little disturbing, the expectation of a gradual mellowing and a greater degree of temperate expression has been sufficient to allay doubt. Clearly, however, this maturing is some way off.

The sensitiveness to criticism affects seasoned politicians on the Treasury Bench as much as their supporters. Some of them have become very restive under adverse newspaper comment, and their anger has exploded into an attack on the press in which the Attorney-General, Sir Hartley Shawcross, has been enjoying himself with more freedom than responsibility. There has been a great deal of discussion about the future part the British Broadcasting Corporation is to play in relation to government information, especially abroad, and the control of its services at home. Hardly anyone advocates a commercialized service, but there is support for the establishment of a competitive organization. The Government refused a request, signed by a third of the members of the Commons, for an enquiry into the B.B.C. Charter before it is renewed at the end of the year. The reasons given were that time was too short for the enquiry to be completed, that future development must wait on the international allocation of wave-lengths and that technical progress during the war had not yet been related to the home services. These reasons have been rejected by most authorities as really inadequate, but the promise of an enquiry well before the end of the five years for which the Charter is to be renewed has stilled controversy.

Mr. Herbert Morrison, who put the Government's case, took the surprising course of turning the request for an enquiry into an excuse for threatening investigation into other media of publicity, and inveighed against the newspapers—particularly the combines—the "gramophone press" as he calls it—for reckless criticism of the Government. He found ready to his hand a motion signed by more than twenty Labour members asking for just such an enquiry. This excessive touchiness comes strangely from a party which boasted only a year ago of remarkable success at the polls in face of the united opposition of the newspapers which now arouse its anger. Mr. Morrison has this time thrust out his chin too far. There has been no support outside his own party for the proposal, which may well have been largely personal in origin and directed chiefly against some proprietors—Lord Beaverbrook, Lord Kemsley, and Lord Rothermere. It has aroused suspicion that it conceals a desire to fasten some control on the newspapers, which might curb criticism and check the free expression of opinion. Memories are still vivid of the early steps in European dictatorships. The

Cabinet have had second thoughts on the matter, and have deferred decision until autumn.

THE PARLIAMENTARY MACHINE

THE session has afforded the first trial of the system of sending major Bills for detailed examination by Standing Committees of the Commons. This adaptation of the former practice of retaining all the chief Bills on the floor of the House was introduced to meet the Labour desire for speedier procedure to cope with their ambitious programme. From the Administration's point of view it has worked adequately. Every Bill has been returned to the House on time. One of the consequences has been heavier work for the House, and sittings frequently prolonged into the early hours of the morning. Minor alterations and improvements have been made in them, but the Bills have emerged substantially unchanged, and in the final stage the Opposition has generally recorded its dissatisfaction in the division lobbies.

Another consequence of the generally unyielding attitude of Ministers and the indifference to argument of their supporters has been the renewal of controversy on the more important points in the House of Lords. The slender Government team there has been strengthened by the creation of a small number of new peers, among whom two academics, Lord Lindsay, the Master of Balliol, and Lord Pakenham, Student of Christ Church, have been prominent. Lord Addison, drawing on a long experience, has conducted the work of this small group—and of the House of which he is the Leader—with skill, and has been greatly assisted by the helpful and forbearing attitude of Lord Cranborne and the Conservative peers. They have exercised a commendable restraint, and have deliberately avoided any attempt to use their big numerical majority for purely party ends. The old cry of "Lords versus the people" has been latent all through the year, and will continue so throughout this Parliament. Now and again a querulous voice has given expression to it, but the Lords have conspicuously refrained from giving any provocation, or of seeking offence in the comments of others—not even when Mr. Shinwell returned their constructive work on his coal Bill with splenetic utterances attuned to the partisan vehemence of a miners' gala. They have so far followed the wise course of accepting all the implications of the General Election verdict and, while expressing their profound disagreement with Socialist policy, have directed their endeavours to remedying the greater faults in the Bills sent up to them and seeking to ensure that ministerial control does not run outside reasonable limits. In this effort the Liberal peers led by Lord Samuel have shared, and the result—in a House whose active members speak with expert authority on many subjects—has been of advantage to the Government, which has to make its own laws work, and to the country, which has to live under them. In the process there has been an unusual number of Government defeats; none has been of real moment, and all have been resolved without incident. The relations between the two Houses have not been damaged. It is mere prejudice which rails against the Upper House for supposed interference and ignores the considerable use which the Government have made of it to write into measures which the

Commons have passed amendments of their own that have been numerous enough to cause comment.

PERSONALIA

If Mr. Morrison's reputation has fallen because of an over-masterful direction of the House and an ill-concealed enjoyment of authority, that of the Prime Minister has risen. He has not been much in the limelight, but the confidence evident in his early speeches has grown and toughened. The troubles in Palestine brought him up against the first challenge from his own party when some forty of them, contrary to his desire, forced an immediate discussion on the British action against the Jewish Agency leaders. Then, and on other occasions, he made evident his belief that the duty to govern includes the governing of his own followers. Mr. Bevin, too, has been little on the stage at home of late. He enjoys the full confidence of all except a handful of extremists who have consistently shrilled the Moscow descant above the tune of party policy, and in spite of an inability so far to prove the election claim that relations with Russia would be much easier for a Government of the Left than of the Right, his untiring efforts to build the new structure of Europe on a firm economic foundation have earned general acclaim. He has been hoeing a very rough row, and there is sincere regret that the effects on his health kept him out of the early part of the Paris Conference.

The three Ministers who spent hot and weary months in India have reported on their achievements, which were more limited than their aspirations, and have been praised for the zeal and devotion with which they sought to help India to find a new unity in the difficult task of forming a new constitution. The renewed outbreak of communal antagonism is a disappointment to the whole House.

The dominant figure of the House of Commons is still Mr. Churchill. Given the subject and the occasion he has no peer, and his mastery of language and statesmanship is overcoming the first bitter hostility which the Labour members displayed towards him. They were certainly at fault in their efforts to underrate him. The Opposition which he leads is finding a greater cohesion and strength, and is settling down to effective work after the early months in the enervating freedom from responsibility. It will become still more effective if the Conservative party at its conference this autumn can produce the framework of a policy which will enable it to expand the traditional duty to oppose, which it has to perform, into a more positive force for construction.

Great Britain,
July 1946.

IRELAND

DAIL, COMMONWEALTH AND UNITED NATIONS

IN Ireland as elsewhere new policies are now taking shape and new problems arising. The position of the Irish Government in relation not only to the Commonwealth but to the United Nations has been further clarified by recent declarations in the Dail.

During the debate on the estimates for the Department of External Affairs on June 19 Mr. James Dillon referred to a rather silly speech made by the President, Mr. Sean T. O'Kelly, when receiving the freedom of Wexford, in which he declared that this honour was bestowed on him by virtue of his position as President of the Irish Republic. Mr. Dillon read the Letters of Credence issued in the name of His Majesty the King by Mr. de Valera as Minister for External Affairs and enquired whether the time had not come for us to decide whether we were going to be an independent republic or a self-governing member of the Commonwealth. During the subsequent debate Mr. de Valera declared that the association of a republic with the Commonwealth was quite consistent and the British Government had never questioned it. He added that he would be quite satisfied with the present arrangement if it included the whole of Ireland and did not propose to make any change. The reservation is of course merely mental. This declaration is significant because it makes clear his Government's full acceptance of Commonwealth status. The question whether our form of government is republican or not would therefore seem to be largely academic.

As regards the United Nations Mr. de Valera made an interesting statement when he proposed a motion in the Dail on June 26 for the payment of two years' contributions due to the League of Nations. He said a small nation which entered a security organization might be faced with the prospect of having to declare war against an overwhelmingly powerful neighbour, with the certainty of being overwhelmed itself at the first onslaught. Such a state of affairs would exist for us if Great Britain were declared an aggressor. Although Ireland would like to play its part in any collective system that promised a degree of security he expressed the opinion that the United Nations organization was not so satisfactory from the point of view of small nations as the League. The very serious question whether we should or should not apply for membership would not have to be considered till the peace treaties were signed. We were losing nothing by the delay. In the main, he added, that was the attitude taken up by the other neutral States, none of which, so far as he knew, had yet applied for membership.

On July 24, however, Mr. de Valera, having apparently changed his mind, requested the Dail to authorize the Government to apply for admission to the United Nations, a request which, after a full debate, was unanimously granted. He indicated that, although he was not by any means satisfied with the United Nations Charter, he feared that if we did not apply we might be

the only European nation, except Spain, outside that organization. He paid a tribute to the correct and friendly attitude of the British Government, who, he said, had intimated that they would naturally support our application.

TREATMENT OF POLITICAL PRISONERS

WHILE Mr. de Valera's attitude on these external questions raised little controversy, a violent political storm arose in May on an internal issue regarding the treatment of political prisoners. The immediate cause of this disturbance was the death on May 11 of Sean McCaughey, who had been on hunger strike since April 16 in Maryboro Jail. McCaughey, a leading member of the Irish Republican Army, was convicted by a military court in September 1941 of beating and torturing Stephen Hayes, another member of that illegal organization, who was wrongly suspected of being a government agent.* McCaughey was sentenced to death, but the sentence was reduced to penal servitude for life. Having refused to wear prison clothing or obey the prison regulations on the grounds that he was a political prisoner, he was in solitary confinement without clothes or exercise for nearly two years. On April 16 he notified the prison governor that unless he was released in three days he would go on hunger strike, and accordingly did so. On May 8 the matter was raised in the Dail and Mr. de Valera made it perfectly clear that the Government would not alter the decision they had come to in July 1943 not to permit prisoners to secure release by hunger strike. At the inquest on McCaughey, Mr. Sean MacBride, S.C., who appeared for the relatives of the deceased, sought to enquire into the causes which led to McCaughey's conduct; but the Coroner refused to permit him. Under cross-examination the prison doctor, however, admitted that he would not keep a dog in the same conditions as McCaughey, and the jury added a rider to their verdict to the effect that "the conditions existing in the prison were not all that could be desired."

The matter was again raised in the Dail on May 29, when Mr. Donnellan, a member of the Farmers party, moved for the appointment of a Select Committee to enquire into the various allegations concerning McCaughey's treatment. Speaking in the subsequent debate Mr. de Valera frankly admitted that he now realized that Mr. Cosgrave's Government were right in the measures they took against the I.R.A. in 1931, and that a terrorist organization of this kind could not be dealt with by the ordinary courts. It was, of course, largely on this issue that Mr. Cosgrave was defeated in the general election of 1932. It is the weakness of Mr. de Valera's present position that before, and even after, he came into office he consistently pandered to these fanatics, that up to 1926 he himself posed as President of the Irish Republic, and that even after he had entered the Dail he questioned the authority of the legally elected government. He is now, therefore, in the position of poacher turned gamekeeper and naturally realizes where the shoe pinches. As he plaintively remarked during this debate, when his Government let the I.R.A. prisoners out the latter reorganized, shot police and eventually had to be executed. Yet every intelligent political observer in Ireland knew that this result was inevitable. During the debate Mr. Boland, the Minister for

* See *THE ROUND TABLE*, No. 125, December, 1941, pp. 105-7.

Justice, had little difficulty in proving that prison conditions here for prisoners who obey the regulations are no worse than elsewhere, and that McCaughey and his colleagues were themselves responsible for the treatment they received.

These events had regrettable repercussions. During the Dail debate Mr. Boland, the Minister for Justice, availed himself of his parliamentary privilege to make a violent attack on Mr. Sean MacBride, S.C. Mr. Boland described Mr. MacBride as "one of the most dangerous men in the country", and alleged that the campaign in connexion with the political prisoners had been engineered by him. Mr. MacBride, who is the son of the late Major John MacBride, famous for his activities against the British during the Boer War and subsequently executed for his complicity in the Rebellion of 1916, and of Madame Maude Gonne MacBride, a prominent figure in extreme Irish circles for half a century, is himself almost perforce an extreme politician and was at one time undoubtedly identified with the I.R.A. In a dignified letter to the press he was able, however, to show that the Minister's charges were unjustified and that in the McCaughey case he had done no more than his professional duty. Shortly afterwards it was announced that the Government had taken steps to penalize Mr. Noel Hartnett, B.L., who had appeared at the inquest as junior counsel with Mr. MacBride. Mr. Hartnett has been for some time employed by the Irish Tourist Association to act as *compère* of "Question Time", a popular feature broadcast each Sunday night from different Irish towns. Mr. Little, the Minister for Posts and Telegraphs, now vetoed his further employment in that capacity on the grounds that he had "taken part in every vehement and dangerous political controversy". It may be added that while an active member of the national executive of the Government party organization Mr. Hartnett, during 1936 and 1937, acted as senior announcer of Radio Eireann, the State-controlled broadcasting station, and while so acting addressed political meetings without objection. It is quite clear that as an ordinary paid artist, and not a civil servant, he was fully entitled to express his opinions concerning the political prisoners and to appear professionally at the inquest; and whatever one may think about his views there can be only one opinion about the injustice of this attempt to intimidate him and others from speaking their minds.

THE CORK BY-ELECTION

At the end of May a by-election took place in Cork City, consequent on the resignation of Mr. William Dwyer, a prominent manufacturer who was elected as an Independent and resigned because of his political impotence. Mr. de Valera naturally seized this excellent opportunity to appeal to the electors for their verdict on the Government's attitude towards the I.R.A. prisoners. Speaking at Cork on May 26 he said the Government's authority, which was in fact that of the people, was being challenged by a relatively small group who set themselves above the people and were not prepared to accept their judgment. They claimed some inherent right to constitute themselves a government, to dictate national policy, to maintain a private army, to make war upon the security of the State and to involve the whole com-

munity in war, not only without their consent, but in spite of their expressed decision. They had done their best to involve us in the recent world war. The Government had to make it clear that the time had come when no toleration could be shown to those guilty of such acts of violence, and would meet with all the resources at its command any attempt to challenge its authority by force. Those found guilty of crimes of violence would not be allowed to force their release by hunger strike. The State could not acknowledge the right of such people to special treatment or segregate crimes of violence into two categories.

The electorate could only answer this astute appeal in one way; and the Government candidate, Mr. P. McGrath, a local blacksmith, was returned by a majority of 4,567 over the Fine Gael candidate, Mr. Michael O'Driscoll, S.C. The other two candidates, a Socialist and an I.R.A. ex-leader, both forfeited their deposits. Since the election a new party, Clann na Poblachta (Republican Party), has been formed by Mr. Sean MacBride and his friends "to work for the achievement of republican ideals by purely political means". As Mr. James Dillon recently pointed out, there is, however, no chance of unseating the present Government unless the various Opposition parties unite, of which there seems little hope. This new "splinter" group has therefore little chance of success; but if it means that a large section of the I.R.A. is now prepared to take constitutional action and repudiate terrorism it is all to the good.

A GOOD BUDGET

THE Budget which Mr. Aiken, the Minister for Finance, introduced on May 8 contained some pleasant surprises for the taxpayer and no doubt influenced the Cork electors also. He announced the reduction of income tax by 1s. in the £ to 6s. 6d., the abolition of the duty on sugar of 1d. per lb., a reduction of 6d. per gallon on petrol and 10s. per ton on turf, and the abolition of Excess sur-tax and Excess Corporation Profits tax as from the end of the year. In addition he stated that £1,000,000 is to be provided for the further relief of rates on agricultural land and for a temporary subsidy on agricultural labour. After allowing for these concessions he forecast a surplus of £7,000. Against these boons he announced some slight increases in the duties on spirits and wines, about which no one can complain. Taken as a whole it is a budget which will reduce the cost of living and of transport and should stimulate commerce, industry and agriculture. The total revenue for the current year is estimated at £56,470,000. The Minister also outlined a long-term programme of national development, which will necessitate considerable borrowing. This programme includes expenditure on drainage, farm improvements, turf production, rural electrification, public buildings, housing, sewage, water schemes, reafforestation, roads, harbours, airports and research. It is also proposed to establish a Transitional Development Fund which will operate during the next two years in order to meet expenses of State and public authorities induced by high prices during the period of post-war transition. To meet these commitments the Minister proposes to issue a long-term loan at 2½ per cent and to borrow through the Post Office and Trustee Savings Banks.

A political sensation of the first order was created on June 7 when Mr. de Valera informed the Dail that he had received a letter from Dr. Patrick McCarvil, an ex-deputy, making serious allegations against Dr. F. C. Ward, the Parliamentary Secretary to the Minister for Local Government and Public Health, and that the Government proposed to set up a Tribunal to investigate and report on the matter. This was agreed to by the Dail; and a Tribunal of three judges, presided over by Mr. Justice O'Byrne of the High Court, investigated the matters of complaint. The proceedings lasted for over a week and were reported verbatim in the press. No political event since the establishment of the Irish State has aroused such interest. The allegations made against Dr. Ward were that as managing director of a bacon-curing factory in Monaghan he had wrongfully dismissed Dr. McCarvill's brother and another employee, and that he had been party to a system by which the directors did not disclose certain cash sales of the company, which were hidden from the auditors, the Bacon Control Board and the revenue authorities and divided amongst the directors personally; that while Parliamentary Secretary he came to improper arrangements with medical men who were acting as substitutes on his behalf as medical officer in the Monaghan dispensary; and that the funds of a local building society were improperly used to erect a hall for the Government party on land belonging to him.

The Tribunal found that the charge against Dr. Ward and his fellow directors of not disclosing certain cash sales of the bacon company was proved, and refused to accept their evidence that these sales were limited to damaged bacon and that the money resulting therefrom, totalling £4,739, would be brought into account at a later date. They also found that the other allegations were without foundation. On the publication of the Tribunal's report Dr. Ward tendered his resignation to Mr. de Valera and, after an acrimonious debate in the Dail, it was accepted.

This unpleasant case raises serious questions concerning the desirability of allowing members of the Government to hold other posts, whether public or private; and the public is both uneasy and dismayed by the whole sorry business. Public comment has also been directed to the fact that Mrs. Sean T. O'Kelly, the wife of the President, is Public Analyst to some twenty county councils and that she has been granted indefinite leave of absence so that she may retain these positions. This is to say the least of it undesirable.

OTHER PROBLEMS

OTHER problems of a less sensational but more serious nature have been raised by the approaching end of war controls. Early in the war the Government, by means of an Emergency Powers Order, imposed a ban on any general increase of wages or salaries in order to prevent inflation. Nothing, however, could prevent a rise in prices, and to meet this difficulty the Government sanctioned a system of bonuses, based on the cost of living, which did not legally form part of the worker's wage. This system cannot of course be continued indefinitely; and the Government has therefore

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introduced an Industrial Relations Bill, which proposes to stabilize the existing bonuses for the moment and creates new machinery for stabilizing and adjusting future labour conditions. A Labour Court of three permanent salaried members is to be established, whose principal task will be to register wage agreements in each industry. Such agreements when registered will be binding on both parties and reduction of wages or strikes will be alike illegal during an agreement's life. The Court will also have power to fix wages for unorganized workers and to settle trade disputes. Owing to the dispute between the Government and the primary teachers the Labour Party desires to extend the scope of the Bill to include government employees; but the Government insists that this must be dealt with independently.

The teachers' dispute concerns wages, pensions, sex discrimination, marriage and rent allowances. As the Government refused to meet their demands the teachers in Dublin, with the support of their colleagues throughout the country, have been on strike for the last six months; and as a result some 25,000 children are since deprived of schooling and control. Although the Catholic Archbishop of Dublin, Dr. MacQuaid, was prepared to mediate in the matter the Government, having made what they regard as a fair offer of settlement, refused to budge, on the grounds that the State cannot be coerced in such a matter. It is clear that some way must be found out of this impasse or educational chaos will result. The unfortunate parents concerned may well say "a plague o' both your houses".

ANGLO-IRISH RELATIONS

It is pleasant to record that Anglo-Irish relations continue to improve. Speaking in the Dail on June 19 Mr. de Valera paid tribute to the way in which the British people have denied themselves in order to relieve European distress, and expressed the desire of his Government to help in every way possible. That desire has already found practical expression in the recent negotiations concerning the improvement of food supplies to Great Britain. Owing to conditions of regulated trade and dictated prices, Irish food exports to Great Britain have fallen since the outbreak of war by one-half. The remedy seems clear: if Britain desires Irish food she must pay the same economic prices as she does to her own producers, and provide us with fertilizers and agricultural machinery.

In other respects also progress has been made. A large and welcome invasion of British tourists have discovered this year, many for the first time, the charms of Ireland. Some of the wealthier class plan to remain here permanently and are buying property. An invasion of another kind occurred when a British naval flotilla recently visited Cork and received a warm official and popular welcome. The Government has purchased six British corvettes, and British naval assistance will be necessary in the future. The time has come for a clear understanding with Britain on defence problems. This should be based on the predominant question of security. Ireland can no longer ignore the portents without, and is beginning to realize that she must fulfil the obligations which history and geography alike impose upon her.

Ireland,
August 1946.

CANADA

DOMINION-PROVINCIAL RELATIONS

CANADIAN plans for social and economic reconstruction include safeguards against the danger of mass unemployment and provision for comprehensive social-security legislation. In putting these plans into effect the Government of Canada has less freedom of action than a unitary State would enjoy. Legislative power is distributed between the federal and the provincial legislatures, and it is not easy to secure concerted action between them. This does not mean that the basic difficulties are constitutional. If Canada has chosen to have a federal constitution it is because of the wide diversity of outlook between the Provinces. This diversity is as great as ever. One Province, Alberta, is committed to the doctrines of social credit. Another, Saskatchewan, has elected a Socialist Government. A third, Quebec, has, as it has always had, its own peculiar attitude towards social legislation.

But there are constitutional difficulties. The agreement embodied in the British North America Act was reached at a time when no one contemplated such a thing as modern social-security legislation. It is characteristic of the period that the Act assigns to the provincial legislatures exclusive power to make laws in relation to "the establishment, maintenance and management of Hospitals, Asylums, Charities and Eleemosynary Institutions in and for the Province". The financial resources of the Provinces were deliberately limited in the hope of making extravagance unlikely even in this limited sphere. Apart from the national domain, licence fees and subsidies from the Federal Government, their main source of revenue lies in direct taxation. In 1867 direct taxes had a bad name, and it was expected that any Government which resorted to them would soon be compelled to be more frugal in its expenditure.

In practice the Provinces have not done badly. Their subsidies have been increased, their people have become resigned to personal income taxes, corporate income taxes and succession duties, and the provincial legislatures have been astute to find ways of converting taxes on commodities into direct taxes by prescribing special methods of collection. The real limit to the taxing powers of the Provinces has come from the action of the Government of Canada. Although entitled to impose any taxes it chooses, the Canadian Government refrained from using the chief direct taxes until its hand was forced by the cost of the first world war. It is easier "to press a giant into the service" than to muster him out and, in spite of its professed intentions, the Government of Canada has continued to levy personal and corporate income taxes. In the recent war it has imposed succession duties as well.

There are two cogent reasons for conceding to the Federal Government the exclusive use of the three main direct taxes. They are a staple source of revenue, just as the tariff was in 1867; and the largest returns can be obtained

from them with the lowest cost of collection if there is a single collecting authority and rates are uniform throughout Canada. The Provinces have become very unequal in *per capita* income; and if all are to enjoy advanced social legislation, taxpayers in the richer Provinces must come to the help of those in the poorer. This result would have been achieved as a matter of course had the general scheme of federation allowed the Government of Canada to undertake the social services. It has in effect been achieved in the case of old-age pensions and family allowances, since three-quarters of the cost of the former and the whole cost of the latter are paid by the federal treasury.

The difficulties occasioned by the inability of some of the Provincial Governments to perform adequately the tasks which public opinion expected them to undertake came to a head as a result of the great depression. In 1937 a Royal Commission on Dominion-Provincial Relations was appointed with very wide terms of reference. It presented a unanimous report in the spring of 1940. The chief financial recommendation was that the Government of Canada should alone make use of the taxes on personal and corporate incomes and on successions. To compensate the Provincial Governments for their loss of revenue it was to take over the provincial debts. In addition, it was to replace the subsidies paid to the Provinces by adjustment grants based on their fiscal needs. These grants were to be revised from time to time and so kept at amounts which would enable each provincial legislature, if it chose, to maintain its social services on the same scale as those of the other Provinces and meet the general expenses of government without resorting to exceptionally heavy taxation. It might, if it desired, increase its taxes and improve its social services or reduce the scale of services and make its taxes lighter. In either case it would get the same grant. In short, the recommendations aimed at making provincial autonomy a reality by guaranteeing an adequate income to each Province and leaving its legislature free to decide on the relative importance of its needs.

A Dominion-Provincial Conference was convened to consider the Report of the Commission. The Provincial Governments had been apt to resent the assumption of superiority by the Government of Canada. They were as conscious of its shortcomings as it was of theirs. A lecture on frugality sounded to them like Satan rebuking sin. They looked on the Report as a preliminary to the "horse-trading" which must be the basis of any agreement. No Provincial Government likes to make a final agreement, since it can always be denounced by the Opposition for not having got better terms. To part with taxing power involves loss of prestige. Ontario would have had to relinquish large revenues and it might be argued that its taxpayers would be paying an unfair share of the adjustment grants. It is small wonder that no agreement was reached; but even sceptical observers were somewhat surprised by the tone of the criticisms of the Premiers of British Columbia and Ontario. The Premier of Quebec was scrupulously polite but non-committal.

Canada's part in the war had to be financed, and for this purpose the concentration of taxing power recommended by the Commission was a necessity.

The Government of Canada succeeded in reaching an agreement with the Provincial Governments, by which they suspended the use of the personal and corporate income taxes for the duration of the war and one year thereafter in exchange for annual payments based on the revenues they had been receiving from them, or, if a Province preferred, on the cost of its debt service. The Government of Canada also imposed succession duties in addition to those collected by the Provinces. The terms of the bargain were generous, and the Canadian Government promised that when the agreement ended it would reduce the tax on corporate income by 10 per cent of that income.

THE DOMINION PLAN

BEFORE the war ended the Government of Canada prepared a comprehensive plan for consideration by the Provinces. Its "Proposals" differed in several important respects from the recommendations which the Royal Commission had made five years earlier. It was natural that they should. Conditions had changed during the war. The financial position of the Provinces had improved with wartime prosperity. Effect had already been given by an amendment to the B.N.A. Act to the recommendation that the Parliament of Canada should have exclusive power to legislate on unemployment insurance. The Marsh Report had outlined a plan for comprehensive social insurance on lines somewhat similar to those of the Beveridge Report in Britain. The Canadian Government had established a system of family allowances. The Royal Commission had had no mandate to recommend what form social policy should take and had confined itself to enabling the Provinces to implement whatever policies they might severally adopt. The same was true of measures designed to prevent or relieve unemployment; the Commission had recommended a clear assignment of responsibilities, but had proposed no specific plan. The Canadian Government was, therefore, able to break new ground by combining with its financial proposals comprehensive plans for social security and for the maintenance of a high level of employment.

The new plan called for the exclusive use by the Federal Government of taxes on personal and corporate incomes and on successions. An exception was made of taxes on enterprises that deplete natural resources. In return for relinquishing the right to impose these three taxes, the Provinces were to receive in lieu of their former subsidies an annual payment of \$12 per head. This would be increased in proportion to any increase in the national income above its level in 1941. In the course of the negotiations the Government of Canada raised this offer to \$15 per head, but this amount was to be increased only to keep pace with any increase in the national income above the 1942 level. The revised offer was not much more attractive than the original one to those who expected a rising dollar income, but it guaranteed a higher minimum and provided a hedge against deflation. Obviously some Provinces would gain and some lose by exchanging the revenue which they might receive from the three main direct taxes, levied at such rates as reductions in the federal taxes might permit, for an annuity of \$15 per head. The other terms of the offer were, therefore, significant.

The Canadian Government indicated that control over the three great direct taxes would enable it to deal boldly with any falling-off in employment. A prime cause of unemployment has been the failure of overseas markets to take, at remunerative prices, the usual quantities of Canadian primary products. The Government proposes to offer alternative employment in such cases by undertaking projects designed to improve the long-term efficiency of the industries in question. By this action a fall in consumers' incomes and a consequent reduction in domestic consumption can be avoided, so that there will be no derivative unemployment. The construction industry would be assisted, if need arose, by a programme of public works. The Provinces and Municipalities would be invited to prepare projects in advance, choosing works which though useful were not urgently needed. If the plans were approved, the Canadian Government would contribute one-fifth of the cost, provided that the works would not be begun before it gave the signal. Finally, unemployment insurance would be extended to include practically all persons who are in employment; and the Canadian Government would undertake, as the Royal Commission has recommended, to meet the full cost of unemployment assistance, that is to say, of maintaining employable persons who are out of work but not entitled to insurance benefits. The Provinces would remain responsible for the relief of persons who are unemployable. Financially all the proposed measures are important to the Provinces. The maintenance of employment would maintain their revenues. Provision for unemployed employables would lift a heavy contingent liability from their shoulders. But in their optimistic moments Provinces and Municipalities expect to get these benefits without having to forgo revenues in return.

The other social-security measures comprise old-age pensions and health insurance. At present the Government of Canada bears three-quarters of the cost of old-age pensions, which are administered by the Provinces and paid, on the basis of a means test, to persons over 70. The normal rate is \$25 a month. If a Province pays less the federal contribution is reduced in proportion; if it pays more, it must bear the extra cost itself. The proposals provide for the payment of pensions of \$30 a month to all persons over 70 regardless of their means. The Government of Canada would pay the whole cost and would administer the plan. In addition it would pay half the cost of pensions, not exceeding \$30 per month, which the Provinces might arrange to pay to persons over 65 who could satisfy a simple means test.

The health-insurance plan is more complicated. It provides for medical attention, hospital service, nursing and dental care for everyone. It does not provide for income maintenance during illness. The proposed benefits are to be introduced by stages in accordance with a time-table. As a Province introduces each stage the Government of Canada will pay one-fifth of what it has estimated the cost to be per head of the population. In addition it will pay half of the actual additional cost, provided that its estimate is not exceeded. If the estimates which have been prepared are correct the Canadian Government will have to provide about \$150,000,000 a year and the Provinces will have to find \$100,000,000. If the plan costs more in any Province the difference will have to be found by the Province concerned. The

Canadian Government will help with the plans and its technical services will be available for consultation.

The Dominion-Provincial Conference which considered these proposals discussed them amicably but did not reach agreement. The Provinces were reluctant to think that the Government of Canada had made a final offer. Six Provinces were ready to accept the proposals in their main outline. The position of the other three requires some explanation.

THREE DISSENTING PROVINCES

BRITISH COLUMBIA was not hostile to the general tenor of the proposals but hoped for a better bargain. Owing partly to its relatively high *per capita* income, and partly to its general economic structure, which is very different from that of an agricultural province, the yield of the three direct taxes is exceptionally high in proportion to the population. The Province had imposed the taxes at high rates and had provided for expensive development undertakings and for generous social services. The price of \$15 per head seemed too low for the taxes which it was asked to forgo. To accept it would be to place a ceiling on its future revenues, which would then rise only in proportion to the national income of Canada. British Columbia is very reluctant to give up projects and dreams based on a faith in continued economic expansion which is still characteristic of the West. What Government could deny its faith and sell the Province short? And yet depressions have not been unknown.

Ontario is the largest and richest of the Provinces. In whatever form assistance is extended to the poorer Provinces or to their citizens the taxpayers of Ontario will have to foot the bill. To do them justice they accept this hard fact with a resignation unknown in British Columbia. Even in their wildest moments they never talk of secession. But they do not want to pay the piper and let the Government of Canada call the tune. The tune called by a Liberal Government at Ottawa might be very distasteful to a Conservative Government at Toronto. No gratitude and indeed no recognition can be expected from other Provinces in response to any sacrifice Ontario might make. Grudging acceptance of it by Quebec would be galling. Under these circumstances Ontario made a counter-offer suggesting a clear-cut division of sources of revenue, which would avoid duplication in taxation and would leave to the Provinces the exclusive use of a number of minor taxes and of succession duties. The response was discouraging. Any Province might retain its succession duties as a matter of prestige but would have to deduct its receipts from that source from the payment to be made by the Government of Canada. Other sources of revenue might be rearranged, provided the federal revenues were left unimpaired in amount.

Quebec took a different line and refused to treat the question as primarily one of dollars and cents. If the Government of Canada were financially embarrassed as a result of its wars, certain taxes might no doubt be leased to it on equitable terms. But there was no occasion to disparage the competence of the Provinces to provide their own social security legislation. There was a suggestion that the Canadian Government had ideas of grandeur.

Quebec's position was not illogical. Those who know that Province best say that it must never be hurried. It will not stand in the way of the other Provinces' doing what they please. It is quite likely, in its own good time, to follow their example, as it did in the case of old-age pensions. But it will not bargain away its constitutional rights.

The failure of the Conference to reach an agreement has been followed by the introduction of a federal budget designed to make it possible for the Federal Government to negotiate with the Provinces separately. The terms of the tax-agreement are carried out by reducing the tax on corporate incomes from 40 per cent to 30 per cent, leaving the Provinces free to impose their own taxes. But the personal income tax has been maintained at levels which will leave Provincial Governments little stomach for imposing personal income taxes of their own. The succession duties have been doubled, but taxpayers will be allowed an exemption for such provincial succession duties as they may have paid, provided that these do not exceed half the new federal duties. The result is that succession duties will be substantially uniform throughout Canada and that any Province can discontinue its own succession duties without disturbing the uniformity.

The significance of the budget is twofold. It makes it possible to deal separately with each Province, and it shows unmistakably that the Government of Canada means business and is ready to be tough. Each Province will be offered a tax agreement for five years. But, of course, any arrangement that may be made will be very difficult to reverse later. For the time being at least the plans for old-age pensions and health insurance are in abeyance, and the Canadian Government is not committed to helping with the cost of public works or to paying unemployment assistance. The immediate problem before each Province is to compare its position with and without an agreement. It must decide whether the revenue which it can get by using the three direct taxes concurrently with their use by the Federal Government, *plus* its existing subsidies, can or cannot be made to exceed \$15 *per capita*. If it imposes too great a burden on its taxpayers it will do so at its peril. Several Provinces have indicated that they will accept the terms offered; and it is expected that seven will do so.

Will Quebec and Ontario accept? Their Governments may feel financially strong enough to wait and see and politically strong enough to try conclusions with the Liberal Government at the elections. Yet in a sense they are on the spot. The social-security legislation for the whole of Canada may appear to depend on their action, and there may be a strong popular demand for old-age pensions, health insurance and protection against unemployment.

It would be rash to predict what choice these two Governments will make. It may well be that the Opposition at Ottawa will offer to enact the social-security legislation without exacting a tax agreement as its price. In that event the issue to be settled would be clearly defined as that of provincial rights against national integration. Essentially this issue underlies the whole controversy. To outsiders it may seem strange that it should not be frankly faced.

One explanation is that frankness might destroy the unity which it was hoped to strengthen. Another is that the present Government has shrunk in an almost morbid way from presenting any of its policies to the public in terms of moral decisions capable of arousing moral enthusiasm, and has preferred to defend them on the safer, if lower, grounds of expediency. Humane treatment of Japanese in Canada was justified by pointing to the dangers of retaliation; contributions of food by saying that it pays to keep our customers alive; export credits as a means of maintaining employment. It may have been thought that idealists would support the policies in any case and that waverers were more likely to be won over by arguments which could not be held up to scorn as humanitarian. This political technique is not to be despised and it is not unlikely that, in accordance with it, the future character of Canadian federalism may be determined in no small degree by the votes of old men and women anxious to obtain pensions without a means test.

Canada,
July 1946.

AUSTRALIA

TWO FOUNDERS OF THE ROUND TABLE

SIR JOHN PEDEN died in Sydney on May 31 at the age of 75. He was one of the original members of THE ROUND TABLE in Australia when it was established by Lionel Curtis in 1910; and he remained one of its strongest supporters. For many years he was honorary secretary of the Sydney Group, and an active member of the Australian editorial committee when it was located in Sydney.

After a distinguished record as a student in Arts and Law at the University of Sydney, and some years of successful practice at the Bar, he became, in 1910, the second occupant of the Challis Professorship of Law; and for some thirty years until his retirement in 1941 he was Dean of the Faculty. He took a prominent part in academic administration (being for many years Chairman of the Professorial Board); he was a leading Anglican layman (in particular, drafting the Constitution of the Church of England in Australia); and, as Chairman of the Commonwealth Constitution Commission, he drew up a report on the working of the Constitution which has proved to be of lasting value to students.

Having been appointed to the New South Wales Legislative Council in 1910, he became its President in 1927—retiring only this year, a week or two before his death. He was closely associated in ROUND TABLE work with his colleagues T. R. Bavin (afterwards Sir Thomas, and State Premier) and H. S. (now the Hon. Mr. Justice) Nicholas; and with them he did much politico-legal work of great value to New South Wales and to Australia (framing, in particular, the ingenious clause of the New South Wales Constitution which prevents abolition of the Legislative Council—or of that clause itself—without the will of the people, expressed by referendum).

In things little or big it could be said of him that he comprehended his trust and to the same kept faithful with singleness of aim. And the few who knew him really well found in him exceptional capacity for friendship and loyalty.

THOMAS HOWELL LABY, Sc.D. (Camb.), F.R.S., died on June 21, at the age of 66, after a serious illness of about three months' duration. He was an original member of THE ROUND TABLE, having been invited by Lionel Curtis to join, in 1910, when he was Professor of Physics at Victoria College, Wellington, in the University of New Zealand. And he remained, until the end of his life, one of the staunchest and most active of its leaders.

With S. A. ("Arnold") Atkinson, he was the driving force of ROUND TABLE work in New Zealand in its initial stages; and, together, they very soon established a record circulation—relative to population—for THE ROUND TABLE quarterly. Supported by men like A. R. ("Arthur") Atkinson (cousin of S. A.), they set a very high standard for the work in New Zealand.

Coming to the Chair of Natural Philosophy in the University of Melbourne, in 1915, Laby was transferred to the Melbourne Group—which had a very distinguished original membership. In due course he became its honorary secretary (after Eggleston); and he made an important contribution to the work of the editorial committee: not himself writing ROUND TABLE articles, but so organizing and systematizing the work—locally, and between the Australian Groups, and in relation to the London Group—that (under the Chairmanship of Harrison Moore) it became a kind of model of how such work should be done (and, incidentally, an experience of great value to members). He used to remark, with pride, on the place taken by ROUND TABLE men (not as such, of course) in the public life of Australia, both at home and abroad. He kept close personal touch with the ROUND TABLE leaders in England, and regularly renewed his contact and his friendship with them on periodical visits to the Homeland.

Laby was a great physicist and a great British Commonwealth patriot, who applied to all his varied activities the originality, the principles, and the methods, and the insight and imaginative powers, which won him an international reputation in his own science. It need only be added here that his (widely acknowledged) devoted and unremitting scientific labours in the Allied cause appreciably shortened his life.

AUSTRALIAN FOREIGN RELATIONS

THE origin of much of Australia's political thought is traceable to the nineteenth century, when the Australian colonies were under the protection of the world's greatest naval power. At this time the basic principles of her Immigration and Tariff Policies were formulated. Remote and protected, Australia tended to develop a somewhat narrow outlook on international affairs—insular in many respects and conscious mainly of its interest in the British connexion.

In the early twentieth century the approach of national maturity and the increasing intensity of the struggle between the Great Powers brought realization of the duties as well as the privileges of the British association. Great Britain nevertheless continued to be in practice the real arbiter of the international policy of the British Commonwealth. The 1914 war showed Australia ready to meet the obligations of the Commonwealth, but the cost in blood and money was so great that it became clear to the ordinary Australian that his own country must have some share not only in meeting the consequences of policy but in formulating it. The part played by Mr. W. M. Hughes at Versailles and the status of the British Dominions in the League of Nations were signs of this new attitude. This growing desire for some independence of status on the part of Australia and the other Dominions brought with it the problem of reconciling such independence with common action by the British Commonwealth as a whole. The world saw the paradox of a group of nations united yet separate—and neither the world nor the members of the group have yet resolved the paradox.

Under the pressure of war common action had been comparatively easy, but in peace the centrifugal forces were relatively much stronger. In the realm of constitutional theory the declaration of the 1926 Conference and the

Statute of Westminster were attempts at definitions to which Australia was party (although the Australian Parliament did not adopt the Statute at the time). Not much more progress was made with the more practical question of machinery for achieving coherence in the policy of the parts of the Commonwealth. The somewhat limited methods of consultation between conferences, such as that through the High Commissioner in London and later through the direct liaison between the British Foreign Office and the Australian Department of External Affairs, represented all that was done. Nevertheless, there continued to exist that degree of community of interest and sentiment which was capable of producing on occasions—usually under heavy outside pressure—some community of action. The Ottawa Policy, whatever its merits may have been from the point of view of world economic welfare, was an example of the British Commonwealth in action.

Within Australia, the attitude of the ordinary politician and the ordinary voter was in many respects an illustration of the maxim that the average man is fifty years behind in his politics. The policy of one of the major parties, Labour, was a relic of nineteenth-century isolation, tinctured with an adolescent desire for independence proper to the early nineteen hundreds. It was a policy of no overseas commitments, of the defence of Australia from Australia, and of criticism of those who were allegedly "tied to the apron strings of Downing Street". On the other hand, there were many in the non-Labour parties who were open to Labour criticism of dependence on the policy of Great Britain without any real say in the formulation of that policy, and who did not realize that Australia's interest in that policy was as direct as events of the 1939 war proved it to be.

The policy of each of the parties was weakened by an ignorance and lack of interest in overseas affairs, which was itself a relic of nineteenth-century isolation.

The machinery for co-operation between the parts of the British Commonwealth was in any event probably unable to cope with the demands of a real common policy, and in fact Australia did little more in the inter-war period than follow Britain along the road which led to September 1939. Under the shock of war, however, the community of interest of the British Commonwealth was again paramount when the very existence of all parts of it became threatened. When the British ultimatum to Germany expired on September 3, 1939, Australia was at war no less than Britain herself. The rapidity with which Australia's participation developed may have been increased by the fact that the party in office was the United Australia party with its consistent policy of Empire solidarity; but, be that as it may, as early as October 11, 1939, the Prime Minister, Mr. R. G. Menzies, announced that Australia would join in the Empire Air Training Scheme; compulsory military training was instituted later in the month, and before the end of the year an Australian Expeditionary Force was being formed.

For the time being, however, the war remained something geographically remote, and, even in the crisis of the fall of France and the Battle for Britain, Australia, however close her sympathy and interest in the fate of Britain, was too far removed to take part in the tremendous decisions which had to

be taken in a moment of time as events moved from climax to climax. She could not be an initiator of policy. Again, when the course of events took another drastic turn with the German invasion of Russia, Australia could but follow, however willingly, the declaration made by Mr. Churchill. The very fact of the supreme ability of Mr. Churchill as a war leader contributed to keep Australia still merely a follower in British Commonwealth policy.

FOREIGN POLICY OF THE LABOUR PARTY

FROM the day of Pearl Harbour, December 7, 1941, the whole situation changed. "In the past we Australians had thought of war as an expedition; as a campaign in which Australians fought thousands of miles away from home. In 1942, with surprise and dismay we came for the first time to think of war as an invasion; as an immediate danger to our homes."^{2*}

The shock of realizing that Australian isolation was an illusion made a fundamental change in the pattern of Australian political thought. The shock almost coincided with the accession to power of the Labour party. Labour, under the leadership of Mr. John Curtin, had given real support to the Menzies Government's war policy, but none the less its political thought was shot through with isolationism. The history of the next two years is the story of the change and development of Labour policy in the stress of the Pacific crisis, a change which was itself an expression of the change in the thought of the ordinary citizen. The development took place under the guidance of the Prime Minister, Mr. Curtin, and the Minister for External Affairs, Dr. Evatt. It was characterized by stronger assertions of Australia's independent status and by insistence on the vital importance of the war in the Pacific. The first was exemplified by the form of the declaration of war on Japan (a declaration by the Governor-General on the advice of the Australian Ministry), by the adoption in October 1942 of the Statute of Westminster, and by the exchange of Ministers between Australia and the U.S.S.R. The second was instanced by the several missions abroad of Dr. Evatt, with the objective of securing the diversion of greater military and naval forces by the United States and Britain to the Pacific area; the advocacy of a Pacific War Council with Australian participation therein; and the withdrawal of Australia's own forces from Egypt for operations in the islands to the north of the continent.

So desperate was the struggle of the British Commonwealth, and so little was the direct help which Britain herself could give to Australia, that at times it seemed as if the British connexion was losing its significance. Australian dependence on the United States was so obvious that there was a body of opinion, represented by Mr. Curtin's own statement on December 27, 1941 (three weeks after Pearl Harbour), that "without pangs and inhibitions" Australia realized herself as looking more towards the United States than to Britain in the Pacific crisis. Mr. Curtin's remarks, however, were made before his own mind had settled down after the early disasters of the Pacific war.

A stage of the development in the policy of the Australian Labour party under the pressure of war was the party crisis over compulsory military

* *Foreign Policy of Australia* (Evatt). Introduction by W. Macmahon Ball, p. vi.

service. Compulsion for service overseas had been anathema to pre-1939 Labour; but after much heart searching in January 1943 the party decided in favour of extending compulsion to service in a wide area limited in the north by the Equator.

During the two years after Pearl Harbour Australia's policy was mainly concerned with the desperate danger of national extinction. As the tide of war flowed back from Australia itself and victory for the Allies became first a probability and then a certainty more attention came to be given to the problems of the post-war world. It is here that the paradox of the British Commonwealth reappears.

The principles of Australian policy which took shape then and which remain the basis of present action were in many respects similar to those which were formulated in Britain and elsewhere in the British Commonwealth. Broadly, the main features are support for the principles of the Atlantic Charter; participation in the effort to build a system of world security; support for the International Labour Organization; and furtherance of a new world order of peace and democracy. In many matters of detail, however, and in some of major policy, differences have appeared. This divergence of Australian policy from that of Britain was revealed in the stress at the I.L.O. Conference upon full employment—an emphasis which was not acceptable to Great Britain (or to the United States)—and in the campaign undertaken by Dr. Evatt at San Francisco and elsewhere to increase in the United Nations the status of the small Powers and to reduce the authority of the Great Powers as represented by such rights as that of veto.

There has at the same time been the insistence on the participation of Australia in the negotiations relating to the peace settlement and in the administration of Japan since the armistice. The first is exemplified by Dr. Evatt's statements concerning the Potsdam Conference, and the second by his activity in connexion with the Far Eastern Commission and the Allied Far Eastern Council. An Australian, Mr. W. Macmahon Ball, is the representative of the British Commonwealth on the Council. In emphasizing the claims of Australia to a voice in the conduct of affairs, Dr. Evatt in many respects acts as the spokesman of the smaller Powers against the domination of the Great Powers. This rôle is not always easy to reconcile with participation in a British Commonwealth group.

Dr. Evatt has also insisted on the forms of independence, as seen in his concern that Australia should sign separately the Armistice with Japan. A further recent instance of this concern is the raising of the status of the representative exchanged with the United States to that of Ambassador.

A part of the Government's plans which attracts less attention than some other features but which is not less important is to expand the External Affairs Department and improve the training of its staff. This is indeed merely carrying on a process initiated by earlier Governments.

DR. EVATT AND HIS CRITICS

THE Evatt policy has been subject to strong criticism from within Australia. In a statement to the House of Representatives of March 13, 1946,

Dr. Evatt said: "I think it is now recognized that during this period" (since VJ-Day) "the status and prestige of Australia in international affairs have been dramatically increased." His opponents say that there is too much emphasis on the drama and not enough on more substantial achievements. Mr. Menzies, for instance, has put it that much of the Australian Government's policy is basically unreal, in that it disregards Lippman's principle that the foreign policy of a nation consists of bringing into balance the nation's obligations and the nation's powers and that when the nation enters into obligations greater than its resources it is bankrupt. He gave as an example the Anzac Pact, which is discussed below.

There is criticism also of some of the technique of handling international controversies, including those between members of the British Commonwealth. It has been remarked that Dr. Evatt, when he differs from the Governments of Great Britain or the United States, is prone to advise the newspapers. An instance of this was his statement to the press of November 1, 1945, on the Japanese position.

Finally, it is said that the policy is that of Dr. Evatt rather than that of the Australian Government, and certainly rather than that of the Australian Parliament and people; that Dr. Evatt consults no one, and that he gives small opportunity for discussion of foreign politics by Parliament and does little more than make statements to Parliament which are not debated. This criticism has some truth in it, although it is in part a reflection of the ignorance and lack of interest of other members of his party, of members of Parliament as a whole, and of the public.

Most of the Government's critics agree that the Evatt policy has much in it that is sound. The so-called Anzac Pact between Australia and New Zealand of January 1944 was an instance of both the good and bad qualities of it. On the one hand, the desire for closer relations with New Zealand as a near neighbour and a fellow member of the British Commonwealth, and the setting up of the machinery for achieving that co-operation, is not open to real criticism. Similarly, the attempt to preserve Australian and New Zealand interests in the South-West Pacific was understandable. On the other hand, the somewhat naïve language of some parts of the agreement, which gave the impression of two very small nations attempting to "tell the world", invited the misunderstanding and resentment which was felt in some quarters and tended to make the whole arrangement appear slightly ridiculous. Probably, after the effect of its form of expression has worn off, the pact will be of real value.

Nevertheless, while the present Government has laid stress on Australia's independence, it would be inaccurate to overlook its attempts to attack the problem of British Commonwealth relationships. While before the war the Labour party had been suspicious of the Imperial connexion, it was Mr. Curtin who, at the London Conference of May 1944, unsuccessfully attempted to strengthen the machinery of co-operation by his proposals for more regular conferences between the Governments and the senior officers of the Governments—proposals which were described as involving the setting up of an Imperial secretariat.

The end of the war finds Australia in the position of a comparatively small Power which, like many other Powers, great and small, is seeking security and scope for development in an anxious world. Until the first use of atomic weapons, all the evidence showed that a nation of the size of Australia in warfare of the modern scale was incapable of defending itself without outside assistance against a major Power. Atomic weapons seem to be even more the preserve of the great industrial nations, and it is too early yet to be sure whether the further development of knowledge has already altered or will alter this condition.

THE END OF ISOLATION

AUSTRALIA's isolation has gone. She has just barely survived the attack of one great Asiatic Power, and she has on her doorstep the enormous restless populations of the "Near North". All parties are agreed on the continuance of a policy designed to preserve the continent from the consequences of internal conflicts between groups differing in racial characteristics and economic and social standards, although there is some criticism of the rigidity of the present methods of exclusion as likely to offend Asiatic neighbours and wrong in principle. It is recognized that if the white group of Western European origin now in possession is to remain unchallenged, it must increase its numbers from the same source; but really effective methods of doing so have not yet been devised.

As an isolated Power, therefore, Australia's position would be precarious. A fundamental of policy is consequently support for the nascent organizations of world security represented by the United Nations. Not only did Australia under Dr. Evatt's leadership take an active part in the discussions which framed the Charter of the United Nations, but it has since been elected to the Security Council, and its representative, Mr. Makin, was in the chair in the first vital meetings. Subsequently, Australia has taken an active part in the Council debates over Persia and Spain, and its representative was Chairman of the investigating committee on Spain.

Yet, in the uncertainty which attends the early stages of the United Nations' growth, Australia cannot rely solely or even mainly on that organization for protection. It must depend on its association with some other source of power. The association with the British Commonwealth remains the vital one. Furthermore, with the decline in the resources of Britain herself in relation to those of the U.S.A. and the U.S.S.R., and the somewhat shaky foundations upon which her earlier strongholds now stand in India, Ceylon, Malaya, and China, the significance to the British Commonwealth of Australia as a bastion in the Pacific is materially increased.

The machinery by which that association may be operated, however, is functioning with lessening rather than growing efficiency. This is evidenced by the latest Prime Ministers' Conference. At no time were all the Prime Ministers together, and while very little was made public it seems that no real progress was made in achieving common policy on major matters. It seems clear, for example, that the decision of the British Government to withdraw from Egypt was taken on the responsibility of the British Government

alone, and that the Dominions, although informed, did not really participate in the formulation of the underlying policy. In the field of defence there were apparently discussions at the conference; Lord Alanbrooke made a short visit to the Commonwealth; a team of British experts in scientific warfare spent a longer time here; and Lord Montgomery is also reported to be coming. It is still far from certain that there is any real common defence policy—an uncertainty which may be the result of necessary military secrecy, but which is itself another instance of the lack of information which contributes to the doubts of the reality of Imperial co-operation. India, and even Indonesia, are problems which are left for Britain to handle, and Australia and the other Dominions are in substance little more than spectators watching, albeit with interest, the results of British policy.

Australia therefore, like Britain herself and her fellow Dominions, has not succeeded in reconciling the two inconsistent tendencies—one to promote the unity of the British Commonwealth as a single Great Power, and the other to assert a degree of individual independence severely limiting common action and mutual protection.

The other association which might afford protection to Australia is that with the United States. Machinery for such an association existed in times of war with the co-operation, necessitated by the conflict itself, in military and naval matters and in economic relations such as Lend Lease. With the end of hostilities most of this machinery has ceased to operate, and while there is a large degree of community of interest, in that the United States is likely to be the principal guarantor of the post-war *status quo* in the Pacific, and Australia may be able to give assistance in the task, yet there is no formal association and it has not so far been possible to work out even an agreement for United States bases in Australian territories. Any common policy which may be evolved seems more likely to arise through association of the United States with Great Britain and through her with the rest of the British Commonwealth.

In the economic sphere the picture of Australian policy is obscure. Since the early years of the century Australia's objective has been to encourage, by tariffs and otherwise, the industrial development of the nation. Coupled with this has been the system of Imperial preference, with its stimulus to trade within the Empire. Ottawa, where Australia joined in an attempt to promote trade within the Empire at the cost of trade outside it, was the farthest point this preference policy reached. Now Australia is faced with the alternatives of clinging to the partially closed Imperial system or of plunging into the uncertain sea of multilateral trade and freer world economic relationships. Under the pressure of war, Australia followed Britain in accepting the indefinite responsibilities of the Atlantic Charter and Article VII of the Mutual Aid Agreements. Under the no less severe pressure of her post-war economic straits Britain has now committed herself still farther by accepting the Bretton Woods proposal and the U.S. loan. Australia is one of the countries that have not yet accepted Bretton Woods—probably because of reluctance to give up any measure of financial autonomy (which may be useful for achieving party objectives) as the price of furthering world trade,

partly because of fundamental uncertainty as to the future economic interests of the country, and—probably—partly because of the hope of securing a better bargain.

Since the United States has now ratified the loan arrangements, the ensuing conference on the U.S. proposals for international trade may compel a clearer determination of Australia's attitude to the post-war economic world.

One other consideration affecting Australia's foreign policy calls for mention—the fact that the Government is sometimes faced with action on the part of its own followers which has a direct bearing on relations with other States and which the Government cannot or at least does not restrain. The tendency is for some of the more militant sections of the industrial labour movement to take industrial action for the purpose of giving effect to ideas of their own concerning international affairs. The outstanding example of this is the refusal of waterside workers to handle Dutch ships or other ships intended to proceed to ports in the Netherlands East Indies—with the announced intention of preventing the re-establishment of what they regard as Dutch imperialism and of assisting the Indonesian nationalists. It is doubtful whether this action has deeply affected any major issues of policy; but it has certainly embarrassed the Government in the conduct of foreign relations.

Australia,
July 1946.

SOUTH AFRICA

REVIEW OF THE SESSION

IN order that a certain amount of business may be put through in January, 1947, before the official opening by Their Majesties in the following month, the third session of the Union's ninth Parliament was merely prorogued on June 20. But it had already established itself as the longest session in parliamentary history. It was also for members, and particularly for ministers handling difficult legislation, a most strenuous session, in circumstances which rendered one of the measures peculiarly appropriate, namely the raising of ministers' and members' salaries:

Prime Minister £3,000 to £3,500 per annum

Ministers £2,500 to £3,000 per annum

Members £700 to £1,000 per annum.

In addition the Leader of Opposition was voted a special allowance of £1,000 per annum, a grant which Dr. Malan gracefully accepted on the ground that General Smuts would shortly be receiving it!

Before Parliament assembled in January last the coalition which existed during the war years between the United party, the Labour party and the Dominion party had been broken, and the United party stood alone as the Government party, with, however, a comfortable majority of 24 seats over all others.

With a heavy programme ahead there was, fortunately, excellent collaboration between the party whips, and it was in this spirit that Parliament set to work and succeeded in passing social, agricultural and economic legislation of far-reaching importance. In keeping with its social-security undertakings, the Government introduced during the session a number of Bills increasing disability and old-age pensions, and war pensions, and establishing the necessary machinery for paying unemployment insurance. The Bills were on the whole well received by all parties in the House. The chief criticism was that the rates of pensions, although increased, were still too low. The Minister of Finance frequently emphasized, in reply to this criticism, that we are compelled to cut our coat according to our cloth, but he assured the House that he accepted on principle that rates of pensions should be increased as soon as the total national income permitted.

Another general criticism of the Government's social-security measures was that they should not have been introduced by some half-dozen Bills, but in one consolidating Bill. The Government was said to be tackling the Union's social problems in "piece-meal fashion". Replying to this criticism, the Minister of Social Welfare told the House that the Government had decided at an early stage that social security would be dealt with as a Cabinet matter, and not by any one Department of State. The Prime Minister himself had established the necessary co-ordinating machinery between the various

departments involved. He had also laid down that it would be the function of the Social Welfare Department to convene meetings from time to time in order to ensure that there was uniformity of practice among the various departments.

Closely allied to the social-security measures were the Government's Silicosis and Public Health Bills. The Silicosis Bill, of vital importance to the Witwatersrand's 30,000 European and 300,000 native miners, makes improvements in the method and amount of compensation paid to sufferers from silicosis. A most important feature of the new Act is that it extends compensation to all mines where it is possible to contract diseases from mineral dust. The Public Health Amendment Act establishes a National Health Council, with functions similar to those of the Central Health Services Council established in Great Britain by the Labour Government's National Health Services Bill.

Three Acts of great importance to the future of agriculture were passed. The Soil Conservation Act establishes a representative statutory body, the Soil Conservation Board, with power to advise and assist the Minister of Agriculture and Forestry on all matters relating to soil conservation. This measure reflects the growing public apprehension in regard to the menace of soil erosion now threatening the Union as a result of generations of wasteful farming methods. One of the functions of the Board will be to ensure the proper co-ordination of soil-conservation measures between the various State departments, the farming community, and other bodies which may be concerned. The Act further contains machinery by which in certain circumstances the individual farmer's right to use his land as he pleases may be curtailed in the interests of soil preservation; and it was on this account that the whole-hearted support which the Act received from the Nationalist party, which draws its principal supporters from among the farmers, was particularly gratifying.

It may be remembered that in 1937 a Marketing Act was passed containing provisions very similar to marketing legislation already in existence in Great Britain. During the last session the Government introduced substantial amendments to this Act, which gave rise to considerable opposition from commercial and industrial circles, on the ground that it paved the way for still further drastic restraints on private enterprise in the marketing of agricultural products. Several protests were made from the Government's own benches, but the opposition to some extent subsided on an assurance from the Minister of Agriculture that the whole matter of marketing control, with particular reference to its effects upon private enterprise, would be submitted to the consideration of a special select committee early next session.

Finally, the Wool Act, which found support on all sides of the House, gave effect to the agreement entered into by the Union Government with the United Kingdom Government and other Dominion Governments at the Wool Conference, held in London in 1945. The agreement concerns the disposal of accumulated wool stocks, and also the disposal of future wool clips. The Act sets up a statutory wool board and aims at bringing about a reasonable price stability on a long-term basis. It also aims at establishing an orderly system of marketing.

The Government introduced one Bill which led to debates similar to those which took place at the outbreak of war, when the Nationalists insisted that South Africa should not be "dragged into another of England's wars". They expressed at this time a great deal of sympathy for "poor Germany". The Aliens' Affairs Act, by which the Government is given power to send back to Germany those Germans of South-West Africa and the Union who are recommended by a special commission for deportation, again caused the Nationalists to criticize the treatment that was being meted out to "members of a nation, whose only crime was that they lost a war". Before its passage this Act gave rise to some of the most bitter speeches of the session and afforded Dr. Malan a further opportunity of proclaiming his belief that the Russians and Communism, and not the Germans, are the real danger to Christian civilization and to South Africa. Whatever may be the private conviction of its members, officially the Nationalist party remains unconvinced—even by the evidence of the concentration camps—that the stamping out of Nazism is an essential preliminary to the restoration of the western world.

A private members' motion which gave rise to interesting discussion was that of one of the Native Representatives, Mrs. Ballinger, urging the Government to create a Ministry of Food. She argued that in no circumstances, and particularly during the present food crisis, could the interests of consumers be properly looked after by a Food Control organization operating under the Minister of Agriculture, whose primary concern is the producer. It is true that bad crops and difficulties of importation have brought about a scarcity of maize and wheat, which is bound to affect fairly seriously the natives and the poor, but by comparison with the United Kingdom and other European countries we are undoubtedly well off. The Government rejected a plea for a Ministry of Food, but at a later stage, following a report of Sir Henry French, who visited this country by arrangement with the United Kingdom Government, some concession was made to the popular views expressed by Mrs. Ballinger by the appointment of a Director of Food Supplies with wider powers than those previously exercised by the Food Controller.

While the House was in committee of supply on the Minister of the Interior's vote the question of immigration was raised, and Senator Clarkson, replying to criticism from members of the Dominion and United party that the Government had no immigration policy, or that if it had it was afraid to declare it, said that the Government would welcome all immigrants of the "right type", and that no difficulties would be placed in the way of private concerns that wished to import skilled labour for the development of the Union's industries; but the Government would not embark on any major immigration policy until all South Africans had been found employment, nor would there be any large-scale immigration while the present scarcity of food and housing existed in the Union.

FORTUNES OF THE PARTIES

WHEN the House rose the state of the parties was: United party 88 seats, Nationalists 46, Labour party 9, Dominion party 6; and three Native Representatives. The Labour party began the session with ten seats, but owing to

the party's split over the Asiatic Land Tenure and Indian Representation Bill the Labour member for Krugersdorp, Mr. M. J. van den Berg, joined the ranks of the Nationalists.

With a general election drawing nearer there is a good deal of speculation as to whether or not General Smuts's party is losing ground. It suffers, of course, from the natural tendency of public opinion to swing away from a party which has held office for a long time—especially when during most of that time the Government has been obliged to tax heavily and wield autocratic powers. The United party is also handicapped by the fact that it contains within its ranks many diverse and conflicting elements. A considerable distance separates its right and left wings on economic matters—illustrated during the session by the debate on the Marketing Act Amendment Bill—while whenever non-European policy is in issue a cleavage on liberal versus reactionary lines is revealed. But the truth of the matter is that, as long as the principal division in political life is on racial lines, no party can hold power unless it can combine English and Afrikaner elements on a basis of racial co-operation which involves compromise on both economic and social questions. The Nationalists gave no evidence during the session that they could ever become a party of this character. Nor did their criticisms of the Government's achievements in post-war reconstruction give any indication of their capacity to deal with present problems in a more effective fashion.

For the Labour party the session was disastrous. The franchise clauses of the Asiatic Land Tenure and Representation Bill revealed that members of the party differed fundamentally on non-European matters. The party's leader, Mr. Walter Madeley, saw in the Government's plan to give a limited franchise to Indians on a communal basis a danger to European civilization in South Africa. Two other members of his party, both Afrikaans speaking, supported him, but the seven other members would not accept this narrow attitude and voted against their leader's amendment, which called for the deletion of the entire chapter granting the franchise. By the end of the session the party had not recovered from this catastrophe and Mr. Madeley had resigned the parliamentary leadership. Under Mr. John Christie, who succeeded him, the party's course was a little steadier, but its opinions did not seem to carry much weight in the House.

The Dominion party—the session demonstrated clearly—appears to be a dying force, and it is doubtful whether it can serve any useful purpose in South African politics to-day.

The result is that the United party continues to derive a good deal of its strength from the weakness of its opponents—not a very healthy state of affairs, but one which is likely to continue until racial animosities, fanned once again into flame by the war, give way to differences of a more politically natural character.

South Africa,
July 1946.

NEW ZEALAND

THE COMING GENERAL ELECTION

IN June New Zealand welcomed her new Governor General, Sir Bernard Freyberg. He is the first New Zealander to hold this high office, and men of all parties have hailed the appointment as a happy one. His achievement in the two World Wars needs no elaboration, for he has earned a reputation both for outstanding valour in the field and for unfailing care for the welfare of his troops. Moreover, in his own phrase, he is "a local boy come home". Not only was his schooling and upbringing in New Zealand, but New Zealanders remember his high achievements in those fields of sport and personal endurance which have always been held in special honour in this country. In him New Zealanders could salute not only the King's representative but one who summed up in his own person certain of the outstanding physical and moral qualities that have gone to the making of New Zealand.

One of the first official acts of the new Governor General was to open Parliament with full peace-time ceremonial, and to present a speech from the throne which was one of the first shots in a strenuous political campaign. The approaching general election inevitably dominates the political scene, and the air is already thick with the dust of preliminary controversy; and while it is still too early to ask for details of the two election programmes, certain broad lines of policy have been made clear. The Opposition, the National party, it appears, will take the same general stand as in 1938 and 1943. It is pledged to provide for the community the same material benefits as the Labour Government: social services, housing, high wages, protection from slumps, and so forth. These benefits will, however, be combined with heavy cuts in taxation, and will be accompanied by a revolution in the aims of government and its relations with the people. In the view taken by Mr. W. J. Sim, K.C., President of the party, in his address to the annual conference in June, New Zealand has passed through a ten-year Socialist repression. The result has been stagnant apathy, worst enemy to persistent hard work on which national prosperity rests. Interpreting rightly the still sound instincts of the people, a National-party Government would with all possible speed remove State-imposed shackles, restore the principle of private ownership to a position of inviolable respect, and re-establish incentives to hard work. Thus in Mr. Sim's view there would be attained such a general release of the energies of the community that prosperity and abundant employment for all must follow.

For its part the Labour party still builds upon the contrast between the experiences of the slump—"the unemployment, poverty and attendant evils of Tory government"—and the relatively good times that followed. In June the annual conference of the Federation of Labour and of the Labour party surveyed the work of the last ten years and pronounced it good both in its broad sweep and in its immediate methods. Labour is therefore to go to the

polls on a continuation of its policies of recent years: exchange control and import licensing, the further extension of nationalization of industry, more social security benefits, and extensive public works elaborated in an ambitious ten-year plan for national development. In principle then the two parties are sharply divided: the one sees the mainspring of society in private enterprise, the other in community effort under State leadership and control. In practice, however, both parties promise to the ordinary man the same material benefits. Since the notorious Walsh report of March 1946,* moreover, the leaders of both have vied with each other in emphasizing that a people's living standard is ultimately governed by the amount of goods and services at its command. Production is the key to the future, supplemented by the flow of commerce to supply goods which cannot be satisfactorily produced locally: on this there is agreement broken only by some suspicion among trade unionists that such arguments have been used in the past to extract greater efforts from workers for the advantage of the boss. Nevertheless, on the details of industrial and commercial policy there is sharp dispute.

EXTERNAL RELATIONS: ECONOMIC, POLITICAL, STRATEGIC

THE Government for its part is deeply pledged to a continuance of import licensing and the fostering of secondary industries. Big land-development schemes are in mind, including the settlement of some 8,000 ex-servicemen at a cost of £50,000,000; but the Government view is that New Zealanders cannot enjoy adequate standards of life through primary production alone. This, it is argued, need not cause any fall in the total volume of overseas commerce. On the contrary, all effort should be made to keep up New Zealand's spending power by improving the quality and quantity of export produce and by seeking new markets. It does mean, however, that New Zealand should buy abroad only those things which cannot be efficiently produced locally. This is a concept which the Opposition has vigorously challenged in the name of freedom of enterprise. Bankers and business men have always protested against the system of exchange control, on the ground that it places vital decisions in the hands of government officials instead of leaving them where they belong: in the hands of men carrying on trade and bearing the responsibility for mistakes. Manufacturers have more than a trace of sympathy for a policy which would give them an absolutely assured market; but uneconomic secondary industries that raise their costs are anathema to the organized farmers. To them New Zealand is essentially a primary producing country, with the prosperity of the rest of the community supported exclusively by the great exporting industries. Farmers must therefore be given the greater freedom, and the presumably decreased costs, that would follow from the relaxation of government control over external trade. It should be added that the policy of import licensing may be hard to reconcile with New Zealand's international obligations; and that it is doubtful whether either party has fully worked out the implications for New Zealand of the policy of full employment to which she is also committed.

It is true that New Zealand has not yet made up her mind on the Bretton

* See *THE ROUND TABLE*, June 1946, p. 298.

Woods agreement and the institutions springing therefrom. Early this year the Government announced that it had not been possible for a decision to be reached in time for New Zealand to take part in the foundation ceremonies of the International Monetary Fund and the Bank of Reconstruction—one great cause of delay in reaching a decision was the fact that the British and American Governments had not yet completed and ratified their financial negotiations. In the meantime a pledge was given that the whole matter would be discussed in Parliament before New Zealand was committed; and that is still the position. Though there is some difference of opinion on the wisdom of Bretton Woods, however, there is no doubt of New Zealand's determination to take her full share in the co-operative international institutions of the post-war world. She has been represented, and her delegates have spoken their minds, at meetings connected with UNESCO, UNRRA, and the Food and Agriculture Organization. Sir Carl Berendsen, N.Z. Minister to Washington, has been an active member of the Far Eastern Commission and chairman of its Steering Committee, and has continued to give characteristically forthright expression to New Zealand foreign policy. New Zealand has also taken an active interest in the re-establishment of civil airways in the South Pacific. In February an Empire conference on the subject met in Wellington and planned a jointly controlled service across the Pacific: preliminary arrangements are now said to be virtually complete, and regular flights between Australia, New Zealand, and North America should soon begin under the control of British Commonwealth Pacific Airways Limited. An American service is also in view.

Meanwhile, following the return of the Prime Minister, Mr. Fraser, from the Assembly of the United Nations Organization, Mr. Nash, Minister of Finance and Deputy Prime Minister, voyaged to London to take part in the discussions among British Commonwealth Premiers and to conduct trade and financial negotiations in London and Washington. As to the course of the discussions only general information is available at the time of writing. Mr. Nash, it is clear, expressed opinions vigorously on the wide range of subjects considered. Supporting the British policy, he held, for instance, that dismemberment was not the final solution to the German problem, and said that the Italian colonies should be handed over to United Nations trusteeship. Faced with indefinite postponement of the Peace Conference owing to dissensions among the Big Four, he urged the rights of small nations as Mr. Fraser had done at San Francisco. "Twenty-one nations should be determining the peace, not four", he said. According to preliminary reports, however, New Zealand took most interest in questions bearing on the Pacific, such as the proposal for a South Seas Regional Commission, as set out in the Canberra Pact, and the problem of island bases. On this last point New Zealand reiterated her previously expressed point of view: that bases should not be simply handed over to U.S.A., but that defence should be planned on an international basis with joint control and mutual use of facilities.

In general terms the discussions were said by Mr. Nash to have been most valuable. New Zealand evidently went a long way towards meeting the British viewpoint that the burden of Commonwealth defence should be

shared by the Dominions more fully in the future than in the past. We have not been told, however, whether any systematic attempt has been made to take up the suggestion made bluntly by the London *Times* when the discussions began: that, though the members of the Commonwealth taken singly were no longer in a position to defend the world's peace they could still stand in the first rank by planning their strategy jointly. As far as New Zealand is concerned, she has expressed contentment with the general lines of British policy, including the vexed case of Egypt, and with the degree of consultation accorded to her representatives. For the rest, information is lacking. There was some criticism in the press on the ground that Mr. Nash had no right to speak for New Zealand without prior discussion, preferably in Parliament. In particular, there was some uneasiness about Egypt, which in two wars has been a key point in British Commonwealth communications, and defended with Dominion blood. In general, however, it must be confessed that the attitude adopted by New Zealand Governments in international affairs, though generally approved by opinion, is rarely the result of widespread public discussion of the issues involved. And the Government, up to the time of writing, has not given full information about recent happenings or any vigorous impulse towards their systematic consideration.

BUTTER FOR AMERICA

AN interesting sidelight on this apparently habitual lack of full information was provided in July by the sale of New Zealand butter to U.S.A. In addition to our existing rationing system, during recent months there has been a wide campaign to save further meat and butter for Britain by the systematic voluntary surrender of ration coupons, and it was a considerable shock to opinion to learn from a casual announcement in Britain that 10,000,000 lb. of New Zealand butter were being sent to U.S.A. for the use of American troops, on the understanding that equivalent foodstuffs would be supplied by America to Britain. New Zealand opinion demanded assurance that the transaction was really desired by Britain; that it would not be at her expense either as regards price or quantity of food; and that the butter saved by self-denial in New Zealand would actually go to the British housewife, not to America. Faced with a bombardment of such questions the Prime Minister increased uneasiness by letting it be believed that the whole arrangement had been distasteful to him, and by failing to produce on the spot the exact details that were asked of him. At this point the Waterside Workers took action. It may be recalled that their union, with the Waterside Workers of Australia, have recently taken a strong stand on one issue of foreign policy. By refusing to service Dutch ships or allow the shipment of goods from these Dominions for the Dutch East Indies they have given good ground for the charge that Australian and New Zealand policy on the Indonesian issue is framed, not by the Governments concerned, but by one organized section of the community. In this case the Waterside Workers refused to load the butter for America till satisfactory assurances were forthcoming.

In the end they agreed to load the butter; but the incident was doubly significant. When analysed, the whole transaction appeared to be in order.

The butter concerned was actually the property of the British Government according to existing agreements, and was being disposed of on its owners' instructions. At the New Zealand end the trouble arose essentially from lack of information in good time from official sources. On the other hand, it was noteworthy that such drastic action should be taken by one section of the community; and press comment was divided between unwanted praise of a union for demanding information on a crucial matter and blame of their precipitancy in taking the law into their own hands. It was interesting, too, that the union not only sought assurances from its own Government, but cabled to the British Mine Workers' Union for confirmation.

PUBLIC ACCOUNTS

In the domestic field the greatest interest attaches to the "election-winning" budget promised by Mr. Nash and due for presentation in August. This will define both the immediate programme of public works and the amount of the concession to be made to the taxpayer. Last year the war ended while the budget was being considered, but the country learnt with astonishment that the end of the war would actually bring a large increase in expenditure. During the year, indeed, the national security tax on all incomes was reduced by 6d. in the £—a concession of £7 million—while universal child endowment added an estimated £12 million to the State's expenditure. But the demand is insistent that the tax burden be further reduced.

Detailed plans are, of course, Mr. Nash's secret, but some of the main factors in New Zealand's economic life are public property. The public accounts for the year ending March 31 were published in June, when the Consolidated Fund showed a surplus of £1½ million after contributing £7 million to the Social Security Fund. Total expenditure followed the estimates closely, and was £4½ million above the preceding year. Social Security expenditure was £23 million, an increase of £2½ million due to increased benefits during the year. War expenditure was £134½ million—an increase of £4½ million over 1944–45. Looking at these figures broadly, the main hope for reduction is in the War Expenses Account, for this contains many items that are non-recurring. £22½ million, for instance, covers payment of war debt to Britain. This debt has now been wiped out, a sharp contrast to the state of affairs at the end of World War I and an important factor in the Dominion's financial position. A further £18 million in the War Expenses Account represents the total amount of war gratuities payable to ex-service-men. Rehabilitation expenditure will, of course, continue and increase; but in spite of the expenses of the force in Japan and of New Zealand's commitments in Imperial defence and to the United Nations, it will be surprising to the public if the three armed forces require a figure approaching the £62 million which they spent in 1945–46. In short, taxation in recent years has been at a level to provide more than half of the cost of the war, and the Government apparently agrees that substantial relief is due. The whole taxation position is being reviewed to that end, and the sales tax (which was doubled for war purposes) has been officially mentioned as likely to be cut. Unofficial Labour speakers go far in promising tax reductions.

In the broad field of economic policy the Government has gone a long way in removing controls which originated in war conditions. All the manpower controls have been swept away, for instance, and all but six of a comprehensive system of industrial controls. Petrol rationing has gone, too, though the total amount available to retailers is still fixed. As far as internal policy goes the principal remainder of war-time economics is the policy of stabilization. This policy, involving the use of subsidies to keep down the prices of necessities, was endorsed by the Federation of Labour in June, in spite of the criticism that subsidies propped up inefficient capitalist enterprises at the public expense. Stabilization in a peace-time "flexible" form to allow for changes in industry and for the encouragement of production is, then, a prominent part of government policy. Though not attacked by the Opposition it seems at least to be less warmly endorsed in Nationalist quarters, and has been directly criticized in the well-known bulletin of the Canterbury Chamber of Commerce. "The abandonment of stabilization is essential", said the bulletin in May, "if economic activity is to recover the efficiency which only freedom can give."

Such differences of judgment and the warmth of debate surrounding the general election should not be allowed to obscure the fact that much thought is being given to fundamental and long-term problems in New Zealand economy. Increasing attention is being paid to such problems as erosion, and methods of preventing the deterioration of the hill country and of marginal lands in general. Again, Mr. Nash's recent visits overseas had an economic as well as a political purpose: the discussion of long-term marketing arrangements with the United Kingdom, for instance, and relations with the United States. Maybe some announcement on the former will be made during the present session of Parliament: it is of vital importance to New Zealand to find where she will stand in the post-war world.

Meantime, however, it is pleasant to record that a full and generous settlement was reached with the United States on questions arising out of lend-lease and mutual aid. Speaking broadly, war-time exchanges have been written off. Total lend-lease aid received by New Zealand was put at £104,570,000, while she provided reciprocal aid estimated at £78,250,000; but it was noted that "relative sacrifice cannot be measured in monetary terms alone". Apart from the sums thus written off, however, New Zealand agreed to purchase a quantity of surplus American war-property in the Pacific area. The price fixed was 5,500,000 dollars or £1,700,000; and this will be spent by the United States in New Zealand for the "construction of American government buildings and for the furtherance of cultural relations of mutual benefit to the two countries". The Acting Minister of Finance rightly claimed that the agreement was a "satisfactory ending to an interesting, just, and successful experiment in war-time international finance, and is a further illustration of the whole-hearted co-operation between the two countries which was manifested during the war period".

New Zealand,
July 1946.

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